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NEWSPAPER OF THE YEAR
46.47

The Scott Report Special four-page analysis



The latest books and music
Review
Plus Howard Stern

'Deliberate failure' by Waldegrave □ Lyell was 'personally at fault'

Major: we're not guilty

Cook accuses ministers of ducking facts

Michael White and Richard Norton-Taylor

JOHN Major last night threw a protective shield around the two ministers at the centre of the arms-to-Iraq controversy in the face of caustic criticism of their conduct in the long-awaited Scott Report and angry Opposition calls for their dismissal.

Both the Chief Secretary to the Treasury, William Waldegrave, and Sir Nicholas Lyell, the Attorney General, insisted they would not resign and Downing Street made plain it will fight to keep them as Labour renews what Mr Major regards as its scurrilous counter-attack today.

Yesterday's Cabinet decision to tough out the pre-election crisis came despite Mr Waldegrave being accused of a "deliberate" failure to inform Parliament about a decision to allow exports of more arms-related equipment to Iraq for fear of "strong public opposition" — particularly in light of Saddam Hussein's gassing of Kurds.

Sir Richard Scott says in his report that there was a change of policy towards Iraq in 1988, and to argue otherwise, as Mr Waldegrave and his fellow ministers did, amounted to "sophistry".

He criticises Sir Nicholas for being "personally at fault" in his handling of the Matrix Churchill trial — the collapse of which triggered the 38-month inquiry.

But his targets go beyond the two ministers most closely involved. Sir Richard accuses the Government of "failing to discharge the obligations imposed by the constitutional principle of ministerial accountability".

Questions of Procedure for Ministers says it is their duty not to deceive or mislead Parliament. "Example after example has come to light of an apparent failure by ministers to discharge that obligation."

The Prime Minister and his Cabinet colleagues clung to Sir Richard's acceptance that there was no conspiracy to let innocent Matrix Churchill defendants go to jail and that both ministers acted "honestly and in good faith" as the Thatcher government changed its policies to help British industry cash in on the end of the Iran-Iraq war. There was "no duplicitous intention", the report concedes.

In a combative Commons statement, Ian Lang, the Trade Secretary, promised to act on Lord Justice Scott's calls for reforms, including greater government openness and better management of intelligence reports, while insisting that it was Labour's duty to apologise for three years of "reckless and mul-

ciuous" allegations of conspiracy and cover-up.

The Whitehall publicity machine had eight days in which to hone its defence since receiving the 1,800 page report. It was given to MPs and peers 10 minutes before Mr Lang spoke yesterday.

Faced with what Tory loyalists later said was "a cock-up, not a conspiracy", Labour insisted that incompetence alone would warrant the two resignations.

Mr Waldegrave went on a media offensive, thanking Sir Richard — who had been heavily attacked by senior Tories before publication — for "clearing me of lying to Parliament or intending to mislead anyone in letters I signed".

Sir Nicholas said the judge's view that public interest immunity (PII) certificates had been wrongly used in the Matrix Churchill trial was not backed by most legal opinion. But if any ministerial blood is shed in the battle ahead, it remains likely to be his since the report blames him personally for not conveying Michael Heseltine's doubts about the PII device to the trial judge.

Led by the shadow foreign secretary, Robin Cook, Labour and the Liberal Democrats accused ministers of blatant news management designed to duck the Report's two central conclusions: that ministers did change their arms sale policy towards Saddam Hussein and that they refused to admit it either to Parliament or the courts.

In Sir Richard's words, there was "clear evidence" that ministers knew of the Iraqi supergun a year before parts of it were seized by British Customs in 1988, Mr Cook said. As for the intelligence information as to the true destiny of Matrix Churchill machine tools — Iraq — it was "so strong" that ministerial insistence to the contrary amounted to "the Nelsonian use of a blind eye".

Downing Street made no effort to defend Alan Clark — whose "gungho" attitude towards the guidelines is criticised — or Lord Trefgarne, both junior ministers who modified the guidelines with Mr Waldegrave.

Downing Street officials are stressing both Mr Major's anger at Opposition "smears" and his record as a champion of the kind of open government and accountability to Parliament the Scott inquiry suggests was absent in the Thatcher years.

The one minister who emerged with enhanced prestige is Mr Heseltine, who saw political problems Sir Nicholas and others failed to spot.

Scott report analysis, pages 2-5; Leader comments, page 10; Martin Woolcott, page 11



Sir Richard Scott at the publication of his long-awaited report

'Not a verdict but a challenge to our sense of morality'

Commentary
Hugo Young

SIR Richard Scott is a decent man. He says the ministers he was investigating are decent men. They made mistakes, but because they sincerely believed they were not making them, they can claim exoneration from the charges against them.

It's a very British verdict, of the kind unfamiliar to a court of law. The judge does not name the guilty men. He won't put the black mark on them. He leaves it open for the equally British pattern to be re-affirmed whereby things may have gone wrong but nobody is responsible. In the end the judge sub-contracts final judgment to politicians and the people.

Yesterday, the conspiracy of sincerity worked well for the Government. All the facts are in the report, but the conclusion to be drawn is left tantalisingly open. Ministers misled Parliament time after time, but because they didn't mean to, we're invited to bring in an acquittal. The Attorney-General got law and practice wrong in dealing with Mr Heseltine's anxieties about signing away the Matrix Churchill defendants' right to demand material evidence for their defence. But he is not stigmatised. He is apparently to survive on the strength of a double negative from Scott: "I do not accept that he is not personally at fault."

So Mr Attorney Lyell is an honourable man. So are they



all honourable men. The court where this claim will be assessed is not Lord Justice Scott's. He merely lays out the facts, and declares for the sincerity with which these people made their crass mistakes. The court of public opinion is what matters. And the question before the people is: how much sincerity is enough?

On the Public Interest Immunity Certificates, a little may suffice. This was the sting John Major most resented. He couldn't and didn't believe that Tory ministers, his colleagues round the cabinet table, had knowingly signed bits of paper designed to send innocent men to prison. It would be so completely un-British. And insofar as Labour rather unselfishly fell for the temptation to build this into a "conspiracy" to pervert the course of justice, Scott's account gives Messrs Clarke, Rifkind and others the talk-out they always knew

Turn to page 6, column 3

Main points of the inquiry

- Government policy towards the export of "non-lethal military goods" was changed following the Iran-Iraq ceasefire in 1988 in a way that should have been reported to the Commons.
- The ministers involved in shaping this change were William Waldegrave, Alan Clark and Lord Trefgarne.
- It was a substantive change in policy, not a reinterpretation of existing advice in the light of changing circumstances, as Mr Waldegrave claimed in his evidence to the Scott inquiry.
- Government ministers "deliberately" failed to inform Parliament of this secret shift in policy because of fears of public opposition.
- None of the ministers involved in the changes acted with "duplicitous" intent in reshaping guidelines, but they agreed that no publicity should be given to the decision to relax them.
- The failure to reveal the relaxation of restrictions "precluded a public debate on this important issue taking place on an informed basis."
- The Government's claim that its position over arms sales to Iran and Iraq was "even-handed" had been untrue since the decision, taken as a consequence of the Salman Rushdie affair, to return to a more strict approach towards Iran.
- In the Supergun affair, MI6 and the Government had reason to suspect that pipes being produced in Britain by Walter Somers were intended for military use long before the pipes were seized by Customs in 1990, but did not act. Trade Secretary Nicholas Ridley misled Parliament over how long the Government had known.
- No British arms reached either Iraq or Iran during the bloody conflict between the two countries in the 1980s.
- The Matrix Churchill arms-to-Iraq trial was "a trial that ought never to have commenced". Investigation by HM Customs of defences available to those charged was "inadequate".
- The Government had no intention of sending innocent men to jail by blocking the release of crucial documents in the Matrix Churchill trial. Michael Heseltine and other ministers should be exonerated from this allegation.
- However, the preparation and signing of Public Interest Immunity Certificates to block the release of government documents to the defence suffered from a number of "defects".
- The practice of using PII as they were in the Matrix Churchill trial "had been prescribed in civil cases and had no authoritative precedent in a criminal trial", but ministers were not informed of this before being asked to sign.
- Attorney General Sir Nicholas Lyell was personally at fault for failing to brief the Matrix Churchill trial prosecutors of Michael Heseltine's reluctance to sign a PII.

IRA bomb found in London

LONDON'S West End was brought to a standstill yesterday after an IRA device — understood to be 1lb of Semtex — was planted in a telephone booth in an area crowded with office workers and tourists, write *Duncan Campbell* and *David Shurruck*.

The device, in a sports bag in Charing Cross Road, was dismantled after two coded warnings. An area of about two square miles was closed off.

In a further confirmation that the ceasefire had ended, a senior member of the IRA told the *Shin Fein* newspaper *An Phoblacht* (Republican News) that the ceasefire was over and blamed John Major for the breakdown.

The former Irish prime minister, Albert Reynolds, said yesterday he had been informed by loyalists that a second London bomb would not go unanswered.

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2 THE SCOTT REPORT



In the frame: Ministers and officials fight to fend off a range of criticism in the report

Parliament was deliberately misled over arms sales for fear of 'strong public opposition'. To argue otherwise amounts to 'sophistry'



Walking into controversy... William Waldegrave leaving home yesterday morning, and the Attorney General, Sir Nicholas Lyell, in Downing Street



PHOTOGRAPHS MARTIN ARNOLD

Punches are pulled over blame but

Richard Norton-Taylor assesses the impact of criticisms on both politicians and civil servants

MINISTERS deliberately and repeatedly misled Parliament about its policy towards arms sales to Iraq, and did so for fear "of strong public opposition". The policy was secretly changed and to argue otherwise, amounts to "sophistry".

These, together with sharp criticism of the role of Sir Nicholas Lyell, the Attorney General in the Matrix Churchill arms-to-Iraq prosecution, are the key political conclusions in a catalogue of incompetence, bad official advice, and an obsession with secrecy spread across the 1,800 pages of Sir Richard Scott's report.

made in 1989 and 1990 about policy on defence exports to Iraq consistently failed, in my opinion, to comply with the standards set... by the Questions of Procedure for Ministers — guidelines set by the Government to cover its own conduct — says Sir Richard. Ministers, he says, "failed to discharge the obligations imposed by the constitutional principle of ministerial accountability".

sometimes pulls his punches in identifying where precisely the blame for mistakes and deceptions lies, leaving it — as he said he would in recent interviews — to MPs and the public to decide.

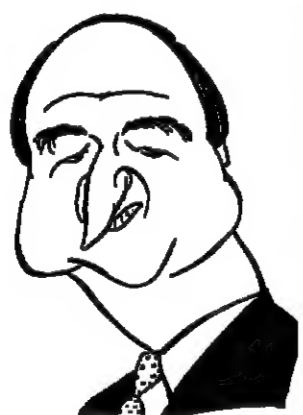
from any diplomatic sensitivities. Explanations given by Lord Howe, the former foreign secretary, and Mr Waldegrave that they did not warn Lady Thatcher of the secret shift in the export guidelines because the decision was not sufficiently significant, are "unconvincing", says Sir Richard.

panies to take advantage of what was perceived to be a valuable export market. Sir Richard says John Major was given notice that the Government was treating Iraq more favourably than Iran, despite contrary assurances he gave to Parliament.

Heseltine stand ignored

Lyell

David Pallister on a 'serious omission' by the Attorney General in failing fully to instruct the prosecutor on PII reservations



SIR Nicholas Lyell, the Attorney General who handled the preparations for the Matrix Churchill trial was personally at fault for a serious omission in the prosecution case, Sir Richard said.

his belief that he was personally, as opposed to constitutionally, blameless for the inadequacy of the instructions sent to Mr Moses. But I do not accept that he was not personally at fault. The issues raised by Mr Heseltine's stand on the PII certificate did not fall into the category of mundane routine, run of the mill issues that could properly be dealt with by officials in the Treasury Solicitor's Department without the Attorney General's supervision.

ters had a duty to sign PII certificates, though Sir Richard found exceptions to this. Sir Nicholas said the notions that ministers signed the certificates to suppress information and "were prepared to see innocent men sent to prison are completely false and without foundation".

that would have undermined the credibility of the certificates signed by other ministers. Sir Richard reported evidence that Sir Nicholas had not read any of the documents covered by the PII certificates, but at a meeting with Mr Moses on September 10, 1989, just before the trial started, Mr Moses assured him that "there was nothing in the documents that in any way called into question the fairness of the prosecution".

Waldegrave
Former FO minister accused of misleading House in saying guidelines were not changed. David Pallister lists the charges



WILLIAM Waldegrave, the foreign office minister from 1988-90, is criticised for sending 38 untrue letters to MPs between March and July 1989, and for misleading Parliament. The letters he asserts that "the Government have not changed their policy on defence sales to Iraq or Iran".

degrave, Alan Clark, and Lord Trefgarne) that no publicity would be given to the decision to adopt a more liberal, or relaxed policy... I have come to the conclusion that the overriding and determinative reason was a fear of strong public opposition to the loosening of the restrictions on the supply of defence equipment to Iraq and a consequential fear that the pressure of the opposition might be detrimental to British trading interests.

Unsound advice and inadequate briefings: report reserves some

'The avoidance of criticism is an unacceptable reason for keeping facts from Parliament'

Clark

SIR Richard examines the role of civil servants involved in the Matrix Churchill prosecution and the conduct of ministers who signed Public Interest Immunity certificates, effectively denying the defendants a fair trial. Most criticism is reserved for officials.

Customs and Excise, told the inquiry he decided to pursue the case despite being given "storm signals" by senior civil servants. They hinted that he would be entering "highly delicate territory".

The report notes that on November 6, 1992, a day after Alan Clark completed the evidence that led to the trial's collapse, Sir Brian called a meeting with Alan Moses QC, Customs' senior prosecuting counsel, to discuss dropping charges against the defendants. Mr Moses told the meeting that Customs had executed the policy of clamping down on companies suspected of exporting arms to Iraq "in its role as enforcement agents for the Government's export licence policy".

orders" were signed by five government ministers. Mr Moses said in pre-trial hearings that he had read the documents which the Government wished to keep secret. He concluded they did not assist the defence "in relation to any foreseeable issue".

showing the department suspecting the machine tools were being used for military purposes, were deleted. Mr Leithhead said in evidence that he was "merely suggesting to Mr Steadman what the correct position would be."

ence. His role centres on confusion over three 1988 export licences for machine tools. The end use for the equipment was never established.

ates the ministers who signed the PII certificates. Malcolm Rifkind, then defence secretary, unlike colleague Peter Lilley, then a minister at the Department of Trade and Industry, at least read the information on which the certificates were based. He told the inquiry that he "did not regard himself as having a discretion to decline to claim PII for documents which fell within the 'advice to ministers' class". Mr Lilley was worried he might compromise security.

... (faded text at the bottom of the page)

Nov 1989: Ministers agree to a batch of 21 MC exports to Iraq to help Iraqis.

May 1990: British and Israeli governments face a diplomatic crisis over the export of 21 MC to Iraq.

June 1990: Customs asking repeatedly, make last-minute change to MC. Trade and Industry says that prosecution would bring the Whitehall 'dry washing'.

July 19, 1990: Cabinet Committee approves a government policy towards Iraq, on which the Secretary of State, Douglas Hurd, and the Secretary of State for Trade and Industry, Nicholas Lyell, are to agree to make shells and missiles.

Aug 20, 1990: Iraq makes MC and MC exports to Iraq.

Oct 1990: Customs seize 21 MC and MC exports to Iraq.

Nov 1990: Charges against two men relating to the 'supergun' affair dropped after consultation with the Attorney General, then Sir Patrick Mayhew. Customs furious.



Feb 1991: British land forces take part in Gulf war. Paul Henderson (below) and two fellow MC directors arrested and charged.

1991: Two ministers, Kenneth Baker and Peter Lilley, sign Public Interest Immunity certificates designed to prevent Government documents about the defence in the MC export trial proceedings. Revealed to do so, now and in future ministers by Sir Nicholas Lyell, Attorney General.

Nov 1991: The MC 3 confirmed to trial at the Old Bailey.

1991-92: Department of Trade and Industry attempts to bring the MC prosecution before the House of Commons and taking the approval of the House.

1992: PI certificates issued by Baker and Lilley in relation to the Ordicac trial.

February 1992: Ordicac 4 convicted for selling arms to Iraq via Jordan.

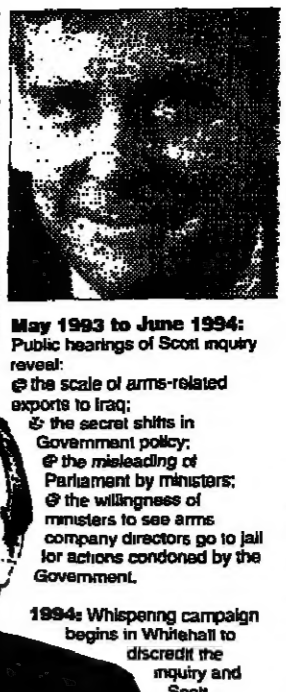
Jun-Sep 1992: Four ministers — Malcolm Rifkind, Kenneth Clarke, Douglas Hurd and Nicholas Lyell — sign Public Interest Immunity certificates for documents relating to the MC trial.

Oct 1992: MC trial opens at the Old Bailey.

Nov 7, 1992: The trial comes to a sudden halt when Alan Clark, no longer a minister or MP, admits he gave the machine tool exporters a nod and a wink and that he was 'economical with the truth'. After further consultations, over the weekend Crown Prosecution Service evidence will be offered.

November 10: Hurd steps up an 'opening' of the trial.

1994: Whistleblowing campaign begins in Whitehall to discredit the inquiry and Scott.



May 1994: Conviction against two Eurontec directors sentenced in the Iraqi nuclear triggers' case quashed on appeal.

July 1994: Conviction against Dunk quashed.

June 1995: Leak of draft Scott report to BBC suggests William Waldegrave is most at risk of severe criticism.

Nov 1995: Conviction against Ordicac 4 quashed on appeal.

Jan 1996: Former ministers Lord Howe and Douglas Hurd give interviews criticising the inquiry as flawed and unfair. Howe flown over who gets advance copies.

Feb 15, 1996: 1,800 page Scott report published.

misleading MPs over arms cover-up

Sir Nicholas Lyell should have told prosecution of Heseltine's reservations

Sally Weale reports on the implications drawn from a trial which Sir Richard concluded should not have happened



Michael Heseltine took a stand over certificates



Alan Moses 'given inadequate instructions'

THE Matrix Churchill trial was one which — with the benefit of hindsight — ought never to have been commenced, Sir Richard Scott concluded in his report.

In his post-mortem into the ill-fated prosecution of the three company directors, Sir Richard focuses his criticism on the role of Attorney General Sir Nicholas Lyell in his handling of the prosecutions.

Sir Nicholas is further criticised for his preparation of the Public Interest Immunity certificates, commonly known as gagging orders.

The PII prevented disclosure to the court of documents which would have shown that guidelines on exports to Iraq had changed and thus that the Matrix Churchill directors were not in breach of government guidelines.

Sir Richard said the chief prosecution counsel in the trial, Alan Moses QC, had been given inadequate instructions.

Mr Moses said, Sir Richard said, had been informed of concerns expressed by Michael Heseltine, President of the Board of Trade, about signing a PII certificate before the prosecution. Mr Heseltine, who said he feared he would be accused of being involved in a cover-up, only signed after being told by Sir Nicholas that he had no choice.

Sir Richard said major responsibility for the inadequacy of the instructions to Mr Moses should be borne by

A 'grudging' government attitude towards disclosure is criticised. In contrast, the Security Service and Secret Intelligence Service were willing to disclose material

The immediate reason for the collapse of the Matrix Churchill trial in November 1992 was the apparent inconsistencies between defence minister Alan Clark's evidence in court and his earlier witness statement.

Sir Richard also identifies shortcomings in the role of Customs, who failed to properly investigate the two lines of defence anticipated in the case.

The first was that the Government in the shape of Mr Clark had encouraged the machine tool manufacturers to suppress their knowledge of the intended use of the tools in the production of munitions.

The second was the fact that the Government was aware of — and in fact did not

mind about — the intended use of machine tools for the production of munitions and conventional weapons.

"Responsibility for the inadequate investigation and search for documents must, in my opinion, be borne by the whole prosecution team," Sir Richard says.

His report also criticises the "consistently grudging" attitude of the Government towards disclosure of the documents to the defence. In contrast, Sir Richard said, the Security Service and the Secret Intelligence Service had been willing, with editing where necessary, to disclose its documents to the defence.

"The approach ought to have been to consider what documents the defence might reasonably need and then to consider whether there was any good reason why the defence should not have them."

The actual approach in respect of all documents seems to have been to seek some means by which refusal to disclose could be justified.

Turning specifically to the issue of the PII, Sir Richard concluded that class claims to immunity — is those which covered entire classes of documents — were not warranted and should have had no place in a criminal trial.

Mr Heseltine's reluctance to sign the PII certificate in case he deprived the defendants of access to documents "evidenced an instinct for the requirements of justice that was fully justified."

Mr Heseltine had been led to believe it was his legal duty to make the PII class claim. Sir Richard responded: "The

proposition that a minister is ever under a legal duty to claim PII in order to protect documents from disclosure to the defence notwithstanding that in the minister's view the public interest requires their disclosure to the defence is, in my opinion, based on a fundamental misconception of the principles of PII law."

In his final paragraph in the section of his report devoted to the Matrix Churchill case, which has been seized upon by the Government, Sir Richard says charges that ministers who signed the PII certificates were seeking to deprive defendants of the means by which to clear themselves were "not well-founded". Ministers were entitled to rely on advice from their lawyers.

In the Ordicac case, Sir Richard says that the PII certificates signed by Peter Lilley in the case against four executives of the company and in their appeal by Douglas Hurd and Michael Howard did not contribute to the inability of the defendants to obtain the relevant documents.

Ordicac, unlike Matrix Churchill, did not hold a licence for the export of fuse assembly lines or their components to Iraq; their licence was for export to Jordan. One of its directors, Paul Grecian, had provided information to intelligence agencies.

Sir Richard says that in correspondence as the case against the men was being prepared, DTT official Anthony Steadman instituted a "dummy run" application seeking the views of the Foreign Office and the Ministry

'The issues that had been raised by Mr Heseltine's stand did not fall into the category of mundane, routine, run of the mill issues that could properly be left to officials'

of Defence to determine whether the assembly line would have been granted an export to Iraq in November 1989, and which showed clearly that the revised guidelines were being taken into account.

Sir Richard comments: "The dummy-run application, and the subsequent correspondence between Mr Steadman and the FCO, is yet another illustration that from around April 1989 the revised guidelines were being applied at operational level."

Sir Richard says that the decision to drop the prosecution of Keith Bailey, the chief executive of BSA Tools Ltd, over the export of lathes to Iraq in view of the DTT's knowledge of their use, was the right one.

'Truth' means whole truth

Holding back information 'undermines democracy'

Sarah Boseley details the report's calls for wide-ranging changes



Tristan Garel-Jones: Had to sign certificate overnight

TIME and again the inquiry heard examples of ministers failing to discharge their obligation to inform and avoid misleading or deceiving Parliament and the public, Sir Richard says.

He cites, for instance, lack of disclosure during parliamentary questions on defence sales policy to Iraq and Iraq in spring 1985 of the existence of the Howe guidelines of 1984.

If a minister withholds information, it is not a full account, Sir Richard says baldly, and the obligation of ministerial accountability has not been discharged. The public is left unable to make a proper judgment on a government's record and "it undermines... the democratic process."

Sir Richard calls for a re-examination of the justification for a refusal to answer parliamentary questions on sales of arms and defence-related equipment to other

countries. He points to Britain's strong backing for the 1991 United Nations Arms Register, which identifies who has supplied what to whom, and concludes that parliamentary questions relating to such matters must now be answered.

The time is ripe for a comprehensive review, he says, calling for public debate and government clarification of the withholding of such information "in the public interest."

"Is it any longer satisfactory that Parliament and the British public are not entitled to be told to which countries and in what quantities goods such as artillery shells, land mines and cluster bombs have been licensed for export?" he asks.

He accepts the distinction made by the Cabinet Secretary, Sir Robin Butler, between ministerial accountability and ministerial responsibility. Ministers

could not be blamed for things which happened in their departments of which they knew nothing and which they could not have foreseen.

But, he says, ministers must be accountable by giving forthright information on the incident to Parliament and the public could judge.

Public Interest Immunity certificates should also be the subject of a comprehensive rethink. PII claims on a class basis — covering a whole category, such as arms to Iraq — should not in future be made. PII claims on the contents of a specific document should also not be made if those documents could help the defence in court. "There is no true balance to be struck" with public interest in such a case, Sir Richard says.

No PII claim on an individual document should be made unless the minister believed "disclosure will cause substantial harm". No minister should be put in the position that Tristan Garel-Jones found himself in of having to sign a PII certificate overnight. Ministers must have adequate time to reflect on where the public interest lies.

The case for withholding a document should not be made to the court by the same barrister who was conducting the prosecution, Sir Richard says, and where a PII certificate was signed, it should describe the nature of the withheld document in as much detail as possible, so that the defence could assess whether it might help its case.

Sir Richard calls for a "long overdue" review of the Government's powers to impose controls on exports from the United Kingdom. "The present legislative structure, under which government has an unfettered power to impose whatever export controls it wishes and to use those controls for any purposes it thinks fit, should be replaced as soon as practicable."

He wants a thorough review of the extent and nature of any powers the Government ought to have to control exports in peacetime, the way Parliament oversees the use of such powers, the type of goods in question, and the reasons for exercising such control.

Sir Richard would ideally like to see Parliament vote regularly to continue or to ditch any export control sys-

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Wartime allies back Prague against Bonn

THE second world war allies have waded into an ugly row between Germany and the Czech republic...

the German foreign minister, Klaus Kinkel, said. The Sudeten Germans lived in Prague and what was western Czechoslovakia for centuries until 1945...

President promises to pay backlog of wages • Party rallies behind stodgy Zyuganov

Fiery Yeltsin goes for broke

PRESIDENT Boris Yeltsin threw open the coffers of state spending in a wild day of populist promises as he announced he would stand for a second term as president.



One for the money... Yeltsin promises wages for all as he announces in Yekaterinburg that he will stand for president

EU inquiry into 'corrupt Briton' allegations

THE European Commission promised a swift investigation yesterday into corruption allegations against one of its most senior British officials.

Greece attacks Rifkind for staying neutral in Turkish row

THE Greek foreign minister, Theodore Pangalos, yesterday chastised Britain for falling actively to support Athens in its confrontation with Turkey over an uninhabited islet in the Aegean Sea.

That means the day will come when we will have to destroy those bases. At the podium Mr Yeltsin, hoarse from a day of walkabouts, was in swashbuckling mood.

was paying himself 30 million roubles a year. At one point Mr Rossel was seen holding his head in his hands.

crossroads and could still slide back into its communist past. "We will do everything possible so that we Russians and our country will not perish under the old red wheel."

Mr Yeltsin admitted he had made mistakes but declared it was his patriotic duty to continue leading the country.

Mr Kozhakov offered to take her to meet Mr Yeltsin, who was standing yards away. Mrs Titkova refused.

Communist chief chosen to fight for 'crown of thorns'



Gennady Zyuganov may lack charisma but his party is confident in him, writes James Meek

THERE were exactly 15 seconds of polite applause when Gennady Zyuganov finished his speech. No one stood up to clap and even before he ended the Russian Communist Party delegates had started chatting among themselves.

There was a curious lack of excitement and total absence of razzmatazz at the former party ideological centre, where the Communists were preparing themselves for what one delegate, the former Soviet prime minister Nikolai Ryzhkov, described as "the most decisive moment in the history of our country since 1917".

party leader's lack of charisma were cast aside as speaker after speaker urged the party to back him as the sole Communist candidate in June.

What's going on here is an ordinary working discussion inside the party. When he meets the voters, I know he won't be using any notes.

Over the years he has grown as a politician and a man. He really knows the pains and problems of the people.

Advertisement for a book by Irvine Welsh: 'So many people are using drugs negatively, to get as far away from the horror and dullness of mainstream life as possible...' Review page 4

News in brief

Gadafy invited by Mandela: President Nelson Mandela has invited the Libyan leader, Muammar Gaddafi, to visit South Africa. The Libyan news agency Jana said yesterday...

Advertisements for ATLAS Car Insurance, Confidence vote, Honouring change, and Seoul manoeuvres.

A near-total boycott, violence and irregularities rob the Zia government of legitimacy, writes Suzanne Goldenberg in Dhaka

Bangladeshis stay away from polls

BANGLADESHI voters turned their backs on Begum Khaleda Zia's government yesterday, observing a near-total boycott of a general election in which none of the main opposition parties took part.

At the close of polls hundreds of men gathered in the old city's Lalbagh quarter, jabbing their thumbs in the air to show that they were free of the indelible blue ink used to mark voters.

But despite their momentary jubilation they held out little hope that the government would heed their message.

"Tomorrow they will say

Ruling party 'no longer exists on the soil after this verdict'

other reports put the death toll at 14, with many more wounded.

The opposition had billed the polls as a farce, demanding a neutral caretaker government to oversee the elections. But the irregularities, widespread violence, and public despair that accompanied them have assumed the proportions of a tragedy in this young and fragile democracy.

The government said six people were killed in violence around the country, and voting could not be held at more than 300 polling stations. But

"They have gone in quite good numbers and if the three party opposition alliances had not been terrorising people then the turnout would have been even higher."

But yesterday's exercise removes whatever legitimacy the government once claimed. With turnout reduced to 5 per cent at some polling stations, and voting cancelled in some rural areas amid hijacked ballot boxes and violence, Mrs Zia now lacks a mandate to negotiate with the opposition for a way out of the crisis. On

the eve of the elections, she had promised talks on fresh elections.

Sheikh Hasina Wajed, the firebrand opposition leader who is the prime minister's deadliest foe, said 85 per cent of voters had heeded the boycott call of her Awami League and the other opposition parties.

"The BNP no longer exists on the soil of Bangladesh after this verdict of the people," she told reporters.

She called on Mrs Zia to hand the civil administration and armed forces over to the

president. She said her followers would offer "whole-hearted support and co-operation" to President Abdur Rahman Biswas until he could name a supreme court justice to oversee fresh elections.

Shops were shuttered yesterday, and streets normally cluttered by cycle rickshaws were so clear that children played cricket in them. Groups of opposition supporters armed with lengths of wood gathered in a few areas of the capital, enforcing a "people's curfew."

But BNP men herded people into voting queues whenever reporters appeared and roamed freely around polling stations. There were no opposition representatives at any of the stations visited by this reporter, and most of the poll officers said they did not know the names of opposition candidates.

Although polling stations appeared deserted at all hours of the day, presiding officers in Lalbagh and other areas of the capital claimed an improbable 50 per cent turnout. These claims were dismissed by the people outside. "We have observed that not even 1 per cent of people have cast their votes," said Mohammed

'Flexible' Dole shifts right

Martin Walker in Concord, New Hampshire

THE alarm of Wall Street and despite being 10 points ahead of his Republican presidential rivals in the opinion polls yesterday, Senator Bob Dole is echoing the economic populism of Pat Buchanan and promising to review the controversial North American Free Trade treaty with Mexico.

"Corporate profits are setting records and so are corporate layoffs," he told the New Hampshire state legislature. "The bond market finished a spectacular year. But the real average hourly wage is 5 per cent lower than it was a decade ago."

"NAFTA hasn't worked as we thought it would. We're going to have to take another look at that, what it's done to American jobs," he said.

Arguing that widening income divisions would have grim social consequences, Mr Dole was claiming some of the ideological ground occupied by Mr Buchanan, currently his closest rival.

Mr Buchanan said yesterday that Mr Dole's shift was "one more sign that we have won the war — the Republican party is becoming the Buchanan party."

It is also a sign of Mr Dole's nervousness. Having lost the freemarketers to Steve Forbes and vying with Lamar Alexander for the moderate Republican vote, Mr Dole dare not leave conservatism and populism all to Mr Buchanan.

His campaign manager, Scott Reed, said: "Buchanan may think he can tie up all the conservatives while we fight with Steve Forbes and Lamar Alexander for the rest of the vote, but he's wrong."

"Bob Dole has been fighting for conservative values all his life. Dole wants the Republican party to represent Main Street, not Wall Street."

As a result, Mr Dole has startled his party's powerful business constituency. The well-known Wall Street guru Peter Lynch said: "It's



Palestinians beat 'rude' pharmacist

In the wake of an Amnesty rebuke, Derek Brown reports on police abuses

IN THE past seven days Mousa Aloush has been arrested, accused of selling drugs illegally, beaten up, freed, re-arrested, locked up in a cell, and released again.

Yesterday, sounding bemused, he said that officials of the self-rule Palestinian Authority had apologised for his ordeal, and had agreed to punish the police officer who beat him, one Abu Jaffar.

Not 24 hours before, Abu Jaffar had smilingly declared that there was not a shred of truth in the accusation of beating. He produced a supermarket crate full of the old and allegedly dangerous goods which Mr Aloush had been selling. Most of them appeared to be baby-food.

The amiable police chief in Ramallah, Hassan Asheikh, also denied the beating allegation, and produced Mr Aloush's written assurance that he would never again supply old or dangerous goods.

The pharmacist's "crime", according to Colonel Asheikh, was to supply medicines without a doctor's prescription. That being so, every chemist in Palestine must be a criminal, for none ever asks for a prescription.

In another office a few yards away a police major, Abdel Fatah, obligingly confirmed the beating, and said it was the usual way of dealing with prisoners who were not "polite".

"He was very impolite with us. He kept saying impolite things. We told him to be quiet, and then we attacked him," said Major Fatah, politely.

A few minutes later, a double U-turn: "We didn't hit him. We didn't hurt him. He says we did that to him. Well, there is a big difference between torturing and just beating. We didn't use any torture. He made us angry and we beat him. He started to scream at us: 'I will show you'. He used bad language."

A semi-trained Palestinian force, for the most part soldiers rather than police, has burgeoned in numbers and in influence. About 26,000 of them, both in and out of uniform, strut

around the West Bank towns and in the Gaza Strip. Many are well-behaved; some are, quite simply, thugs.

At least three men have died in custody in these circumstances in the new Palestine. Arbitrary arrests have become commonplace.

The Palestinian press has mostly ignored the abuse. But one daily, An Nahar, carried a story about the treatment of Mr Aloush which, besides being a pharmacist in the university town of Bir Zeit, is a respected author, translator, and folklorist. Police say Mr Aloush paid An Nahar to print the story.

Other, more serious, abuses have gone entirely unreported. Last month two Bethlehem businessmen were abducted by locally based police, taken to a police station out of town, and tortured.

One of them, Victor Atalla, described to the Guardian how eight policemen held him down while

"They used sticks, and three broke. They used a whip and electrical cable"

others beat and punched him. The soles of his feet were beaten.

"They used sticks, and three of them broke. Then they used a whip and a piece of electrical cable. It went on for an hour or two, an hour and a half," said Mr Atalla.

Throughout this ordeal a senior officer demanded that Mr Atalla sign a statement saying he had forged a paper vital in a land registry case. The officer was apparently working for one of the parties to the dispute. "This is a private case. They were using the name of the Authority only," said Mr Atalla.

Mr Atalla's friend Khalil Hazboun got similar treatment in another room. His feet were so badly beaten that most of his toenails were broken. He was burned on the legs with cigarettes.

The mayor of Bethlehem, Elias Freij, has taken up their case. One of the officers involved has been suspended, Mr Atalla believes, and another may be under arrest in Jericho. But nobody is sure. Nobody ever is.

India links nuclear test ban to big power disarmament

Ian Black Diplomatic Editor

PROSPERS for speedy progress on signing a global nuclear test ban treaty suffered a serious blow yesterday when India insisted it would stand by its demand for parallel talks on disarmament by the five nuclear powers.

India's ambassador to the Geneva conference, Arundhati Ghose, said the refusal of other countries to agree on a firm target for disarmament "cannot but affect our position" in bargaining on a comprehensive test ban treaty (CTBT).

The Geneva talks, which began last month, must end by the summer if a treaty is to be presented to the next session of the United Nations General Assembly in October. Diplomats fear that if it is not signed this year the opportunity may be lost forever.

Agreement between the United States, Britain and France on replacing nuclear tests with laboratory and computer simulation has paved the way.

Russia is expected to follow suit. But the position of

China, which has a less advanced nuclear programme, and is still holding out for the right to conduct "peaceful nuclear explosions," is unclear.

None of the five nuclear powers, however, is prepared to link a test ban treaty formally to wider disarmament.

India's stand is crucial. As a "threshold" state thought capable of producing nuclear weapons at short notice (along with Pakistan and Israel), it represents the monopoly of the declared nuclear powers and wants to end it.

India is also suspected of preparing to conduct its own test, and using the Geneva talks as a bargaining chip to help secure advanced nuclear technology from the US.

Yesterday's rhetoric poses a real problem for the conference: Mrs Ghose accused India's Western critics of using trick mirrors for a campaign in which "those who want to eliminate nuclear weapons are seen as a threat to disarmament."

Twenty-one of the 38 participating countries have called for talks aimed at a global pact to eliminate nuclear weapons. But none has linked it directly to a CTBT.

Iranian spectre clouds Bahrain's bid for freedom

Other worlds

David Hirst

VIRTUALLY every Arab regime that counts has rallied to Sheikh Issa bin Salman al-Khalifa. The ruler since 1961 of the tiny island state of Bahrain is in trouble again.

The Khalifas are orthodox Sunni Muslims. Most of their subjects are Shi'ites, and poorer than the Sunnis. Of late, they have been disproportionately unemployed. They cannot serve in the army or police, and discrimi-

nation is growing in other state departments.

They are the natural breeding ground for opposition. They tend to look for support to Shi'ite Iran, which once laid claim to the island.

Shi'ite clergy, headed by Abd al-Amir al-Jamri, are leading the latest unrest, which erupted after the banning of political sermons in mosques in mid-January.

Riot police fire tear-gas into Friday prayers. The opposition mount routine demonstrations and have begun to burn cars and destroy electrical installations. They have put "percussion bombs" in shopping malls and in the public lavatory of the Meridien Hotel. Three people were slightly injured in last week's blast in another hotel.

The government says it has arrested about 600 people — the opposition says 2,000 — including Sheikh Jamri and a leading Sunni lawyer, Ahmad Shehlan. They are accused of inciting or participating in "arson and sabotage."

Three young men "confessed" to being trained by "terrorist elements abroad." Iran is said to mastermind this "foreign conspiracy."

Bahrainis "sitting abroad without national roots" convey its orders to agents within. The state security court, officials say, will furnish irrefutable evidence of Iranian involvement.

But even if such proof exists — which is doubtful — it will not alter the fact that the Khalifas' troubles are of their own making.

It is an old story. Before Britain withdrew from the Gulf in 1971, a United Nations mission found that the Bahrainis rejected Iran's claim and wanted two things: independent Arab statehood and a democratic system. Sheikh Issa at first obliged with both, but, in 1975, he suspended the national assembly.

The people have agitated for its restoration ever since. In the absence of constitutional rule, the Khalifas have become more arbitrary, repressive, greedy and rich.

Those exiles "without national roots" are dissidents the government deported. The secret police — run by a Briton, Ian Henderson, since 1966 — are unaccountable; they detain without warrant, and sometimes torture to death. Children may be jailed

for years for hurling stones at armoured cars.

The Khalifas are a growing tribe whose 800 menfolk abuse political power to muscle in on state and private enterprise. On this archipelago of only 260 square miles, they have grabbed about half the land, including entire islands, for themselves.

They built the opulent \$60 million (\$90 million) Meridien Hotel with a loan from helped muster 25,000 signatures for a petition demanding a return to constitutional rule.

In the 1970s, secular nationalists led the movement. Today's leadership is by Shi'ite clergy not just because Islamism — Iran-backed or not — is in fashion, but because mosques are the only opposition pulpits left.

Not one Arab government has questioned Bahrain's indictment of Iran as the sole cause of the growing unrest. The Gulf Co-operation Council — six conservative monarchies led by Saudi Arabia — formally endorses the suspension of what he saw as Bahrain's dangerously radical new legislature.

The Arab League does not mention Iran by name, speaking only of disturbances "alien to our Muslim and Arab society". But President Hosni Mubarak of Egypt accuses Tehran of "starting a fire in Bahrain" that will spread.

Even King Hussein of Jordan, who is courting the Gulf, has rallied to Sheikh Issa. According to the Saudi press, he

has offered to send troops to the island. One wonders how this squares with his own prized — if fraying — "democratic experiment", or with his advocacy of a pluralist democracy to replace Saddam Hussein in Iraq.

Yasser Arafat, the chairman of the Palestine Liberation Organisation, emulates King Hussein. It is ironic that, fresh from the electoral triumph that consecrated him "president" of his state-in-the-making, this former revolutionary should condemn another Arab people for simply aspiring to elections.

It is not just the Arabs. The United States, too, sees "Iranian elements" as the villains.

One discordant note comes from the Gulf's only parliament in Kuwait, where eight deputies say Bahrainis are entitled to a parliament.

It has become unfashionable to praise Kuwait, or to celebrate the reasons for its US-led "liberation". Yet the US should be pleased that, thanks to its sacrifice, Kuwaiti MPs are still free to denounce the Khalifas' "medieval mentality". It seems the US, obsessed by Iran, is less free itself.

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After the spin, the truth

The more Scott is read the more deadly it will prove

THE SCOTT inquiry was an attempt, unprecedented in scale and reach for more than a generation, to shine the searchlight of truth into the most protected places of modern British government.

whole tenor and momentum of the report are that Sir Richard has done the very opposite.

In volume four, for example, he cites "example after example" of failure to honour ministers' obligation to play straight.

More forethought had probably been given for more time by more people to the handling of yesterday than to any day in British politics this decade.

Take a second central example: the issue of misleading statements to MPs. To listen to Mr Lang and William Waldegrave last night you might have been forgiven for imagining that the former Foreign Office number two was a shamefully impugned man who had acted honourably throughout.

Yet even with the dice so heavily loaded in his favour, Ian Lang only just held the line for the Government. It was asking a lot for MPs who had only just unwrapped their copies of the 2,000 page, five volume report to do serious damage to Mr Lang's honed official version.

No one who even begins to read the Scott report can fail to see that it is a far more subtle and wide-ranging document than anyone could imagine from listening to the Government's version of it yesterday.

It is already clear that Mr Lang's statement, and the orchestrated Government news management operation last night, were built on the most highly selective quotes from Sir Richard Scott's report and the most tendentious paraphrases of his conclusions.

To make the decisions in our name. To imagine that these questions can be settled within a few hours of the publication of the Scott report is simply ridiculous. So it is important to assert the public duty to read the report properly before attempting definitive judgments about its conclusions.

Peers, privilege and the payroll

It is in the Lords' interest to clean up their own backyard

WHILE the Commons was waiting for Scott, the Lords was cleaning its own stables. Yesterday it published the first Register of Lords' Interests showing that 22 peers act as paid advisers for outside interests and a further five are paid lobbyists.

of Chilworth declared an interest when he proposed 56 amendments to the Environment Bill, aimed at reducing controls on waste disposal, while being retained by the Association of Waste Disposal Contractors.

Peers represent no one but themselves. When they speak on subjects they know about conflicts of interest can be an asset: like the Earl of Glasgow, owner of a country park in Ayrshire, speaking on tourism or Lord Weinstock on industry.

Those who pay peers to be consultants are a motley crowd including giants like Glaxo, BT (and, yes, British Gas) to the Bingo Association of Great Britain. Just why a handful of companies out of the hundreds of thousands that exist should pay peers to be consultants is difficult to know.



Letters to the Editor

The bias on the dais

MADEIRAINE Bunting's article on disestablishment of the Church of England (Church in a state, February 15) repeats the much-quoted view that Christians live in an intrusive secular culture.

practices of intruding into non-believers' lives and, in return, the state should break all links with the Church. Keith Miller, 10 Rue Maubiane, Paris 75015, France.

FOR years, whenever socialists complained of a right-wing bias in the Church, the BBC or the Lords, they were told that these institutions were vital to our democracy because they represented some long-standing national "middle ground".

Nobody, least of all the Conservative Party, would deny that both major political parties have become more right-wing in the last 15 years. For these institutions really do fulfil the function of holding the middle ground, they must appear to be more left wing.

First, our children are forced by law to participate in a religious education system. This would not be so bad if the system did not also avoid any mention of the contradictions in the bible or historical evidence pointing to errors in the same work of fiction.

Second, unless you are prepared to participate in a marriage ceremony that contains at least some religious elements, it is impossible to obtain the usual legal benefits obtained by married couples. Thus couples who also happen to be atheists are put at a disadvantage in the UK's legal system, unless they are prepared to kneel before the Almighty Church.

Third, the state broadcaster promotes Christian views using money obtained from everyone, regardless of whether you happen to be a Christian or not. Ask your average BBC licence-payer what they would prefer - a reduction in the licence fee or continued Christian propaganda - and these broadcasts would end overnight.

The Church of England should agree to end these

tions that the Church has swung to the left. Steve Sheppardson, 33 Trevelyan Road, London SE25 5DP.

I AM surprised at the weight you give to a survey of voting patterns of nearly four years ago (Anglican clergy lean to LibDems, February 14). A great deal has changed since the 1992 election.

The reason: most clergy have to deal week in, week out with the casualties of the social breakdown in our communities. While the LibDems offer rhetoric and a variety of contradictory solutions, only Labour offers the realistic hope of reversing this national destruction.

Chris Bryant, Chair, The Christian Socialist Movement, 38 Old Queen Street, London SW1H 9JF.



Hollywouldn't

THE "Warner Brothers Movie World" Theme Park proposed for Hillingdon, (Home News, February 14) sums up in a phrase what is wrong with us. It will destroy a huge tract of our countryside, which is already disappearing fast under the combined onslaught of government, planners, lawyers, road-builders and developers.

Debate from the oil platform

GOVERNMENT oil tax policy has probably become too ununderstanding in recent years, but by no means as much as Dr Routledge, Dr Wright and Will Futton believe (Letters, February 13).

Given less UK oil and gas production, the country's other energy industries - coal and nuclear power - would have cost the Exchequer even greater subsidies, and/or consumers, even higher prices.

In the absence of lower taxes, the near one-third fall in the real price of oil since 1990 would otherwise have undermined the propensity of the industry to invest in exploration and appraisal and thus left much oil undiscovered. Instead, and in spite of rising production, the country's discovered reserves - and, even more important, the estimates of remaining reserves - now stand at an all-time high. In each year since 1988, reserves have exceeded use. They have certainly not been depleted by two-thirds, as Will Futton claims.

Moreover, the higher after-tax returns available to companies as a result of the tax reductions have led to field-exploitation decisions which are capital intensive and thus capable of extracting a higher percentage of the oil in place. Without this incentive, fields would have continued to be "creamed" as they were in the late 1970s and 1980s.

In the wider energy-sector context, it is worth noting that, in spite of the low taxes paid, oil and gas exploitation has continued to make a net contribution to state revenues.

Prof. Emeritus, International Energy Studies, 7 Constitution Hill, Ipswich, Suffolk IP1 3RG.

DOCTORS Rutledge and Steinfart are incorrect in stating that gross trading profits are defined after deduction of depreciation and depletion charges. The definition in the National Income Accounts Blue Book is clearly before depreciation (and interest). North Sea oil exploitation is highly capital intensive and any reasonable measure of the taxable capacity of the activity must obviously include these costs.

Nobody has suggested that exploration and development would have ceased if the pre-1988 fiscal arrangements had been maintained, but plenty of studies have demonstrated that activity levels and taxable capacity would certainly have been reduced. No evidence to the contrary has been produced. (Prof) A G Kemp, University of Aberdeen, Dunbar Street, Old Aberdeen AB9 2TY.

Alzheimer's scores yet again

WE WERE all sorry to hear of the death of the great footballer and club manager, Bob Paisley (Paisley leaves Liverpool mourning, February 15). Mr Paisley, who died at the relatively early age of 77, suffered from Alzheimer's disease, as did that other great footballer and manager, Danny Blanchflower.

Recent research has highlighted a possible link between developing Alzheimer's disease and playing professional football. The research found that damage and shrinkage of brain tissue was more common among professional footballers than other people. It was also found that severe head injury could lead to pathological changes in the brain similar to those in Alzheimer's. Other research has also linked boxing and dementia. It appears that persistent blows - for whatever reason, over a long period of time, may put people at risk of dementia in later life.

We would like to see more research in this area. None of us wants to see any more great sporting legends struck down by this devastating disease. Harry Cayton, Executive Director, Alzheimer's Disease Society, 10 Greencoat Place, London SW1P 1PF.

The Government and its very unaccommodating Housing Bill

DAVID Curry's assurances about the Government's Housing Bill (The government response, Society, February 7) gloss over the fact that thousands of homeless families will be condemned to live longer in insecure temporary accommodation if changes to the homelessness legislation become law. It is outrageous that homeless families will pay the price for a policy that has seen the number of new socially rented homes drastically cut while hundreds of thousands wait for permanent housing.

DAVID CURRY fails to point out that the Housing Bill contains no indication that the supply of rented housing is to be increased to meet the needs of all the people on long waiting lists (many of whom subsequently are forced to make homeless applications).

In fact, the Housing Bill does the reverse: it extends the Right to Buy to new housing-association developments in settlements of over 10,000 people. Housing associations have been seen by this Government as the providers of new social rented housing. What incentive will there be for landowners to provide land at a reasonable price to housing-association developments in settlements of over 10,000 people?

In fact, the Housing Bill does the reverse: it extends the Right to Buy to new housing-association developments in settlements of over 10,000 people. Housing associations have been seen by this Government as the providers of new social rented housing. What incentive will there be for landowners to provide land at a reasonable price to housing-association developments in settlements of over 10,000 people?

Changing the homelessness legislation is not only a draconian attack on some of the country's most vulnerable families; it also conceals the real problem of the shortage of affordable rented housing and the lack of effective policies for tackling problems.

THE proposed Bill means that even those in temporary accommodation after two years will have to be moved to other temporary accommodation. There is also a new proposal that all tenancies now to be created will be six-month short-term tenancies unless otherwise expressly agreed. So landlords will now be able to move their tenants at will, with little concern as to the social effects upon the tenant.

Chris Holmes, Director, Shelter, 88 Old Street, London EC1V 9HU.

We hope that David Curry will examine responses to the consultation paper and include safeguards to provide the security of a home, to which all are entitled. Brian Cox, Bobbets Mackan Solicitors & Advocates, 20a Berkeley Square, Clifton, Bristol BS8 1HP.

Why the aid minister must resign

YOUR leader on the aid debate (February 14) was thoughtful and thorough. Baroness Chalker's speech on the future of overseas-development policy confirms our worst fears that the Government intends drastically to reduce the ODA's role and status.

MP and I have met with representatives of the UN agencies, the World Bank and the IMF. There is widespread concern that Britain will further cut its contribution to multilateral development programmes with an inevitable loss of influence throughout the world.

Britain's spending on overseas-development assistance has fallen from 0.51 per cent of GDP (and falling) under a Labour government in 1979 to the current 0.31 per cent (and falling). Labour in its first year of office will start to reverse that decline.

The minister claimed she was "more than disappointed in November" that the aid budget was reduced. We are more than astonished that she chooses to remain as Overseas Development Minister. Joan Lester MP, Shadow Minister for Overseas Development, House of Commons, London SW1A 0AA.

A Country Diary

HIGHLANDS: Keeping poultry these days can be difficult with the apparent increase in numbers and distribution of predators. In the last week, someone further up this stretch had lost four geese and he called in to see me and ask advice. He was convinced it was a pine marten and this was based on the fact that he had seen one and pieces of the dead birds had been taken up into trees. I often get such queries and the very first thing I ask is whether the poultry are put into strong hutches every night. In this case, the dozen geese had simply been left to spend the night on a nearby loch only yards away from the house. Every other morning a dead and partly-eaten goose would be found in the shallows although there were no signs left by this predator. The problem with this type of incident is that the original predator may not be the only one. I remember investigating a case on an estate near Inverness when an estimated 80 pheasant poults had been killed over three nights - almost certainly by pine martens. When I examined the carcasses at the site, a hooded and carrion crow were feeding on the carcasses, a buzzard nearby had obviously gorged itself and there were fresh fox spraints. As regards the geese, I could only suggest a fox might have been the culprit with other mammals or birds taking pieces up into the trees. My recommendation was to build some sound hutches to keep the birds in overnight. Some people I know have also been "raided" by mink and there are now several places in the Highlands where people have simply stopped keeping poultry as they have lost so many birds, with mink increasingly to blame. Stout hutches, however, are not the complete answer as, in the past few years, there have been increasing reports of pine martens taking poultry in daylight and they have been seen in a number of places throughout the Highlands. RAY COLLIER

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String of failures undermines attempt by Peking to offer world's cheapest satellite launches

Chinese rocket explodes seconds after lifting off

FROM JONATHAN MIRSKY IN HONG KONG

CHINA'S latest rocket, the 426-tonne Long March 3B, carrying an American-made satellite, veered into the ground and exploded yesterday, 20 seconds after lift-off. At least ten people were injured in a remote region of Sichuan province in western China.

Almost exactly 13 months ago, and also on the eve of the Chinese New Year when people expect good news, a Long March 2E, carrying a Hughes Apstar satellite, exploded 50 seconds after its launch before crashing into a house killing a family of six.

The failure of yesterday's Long March, carrying the three-tonne Intelsat 708, manufactured by Lockheed Martin and owned by International Telecommunications Satellite, is a blow to plans by Rupert Murdoch, chairman and chief

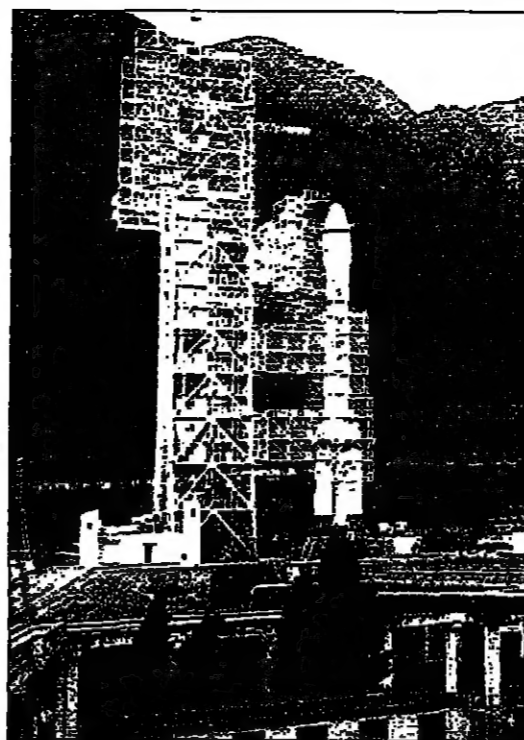
executive of The News Corporation, publisher of *The Times*, to use the satellite for television services in Latin America and to offer video data and voice services in the Americas, Africa and Europe. A company spokesman said that, despite the failed launch, services will begin in May. "News Corp has a number of other real options, and will disclose them shortly."

With its Long March rockets China is attempting to offer

the world's lowest prices for satellite launches, half the cost of Western launches, which themselves are half the price charged by Japan's National Space Development Agency. But a Japanese scientist yesterday noted that the global race to cut costs increases the risk of failure.

The Intelsat 708 and the Long March rocket were insured for \$204.7 million (£136.5 million). The cost of insurance for launches is now expected to rise steeply.

Although China has an active military ballistic missile programme, experts agree it is not a simple task to move from that to civilian satellite launches. Only six of China's 40 launches since 1970 have failed. Two were joint Chinese-foreign ventures. The Chinese tend to emphasise, as



The Xichang Space Centre, from where the Long March rocket lifted off yesterday. It veered off course, centre, before falling back to earth in flames, right



they did yesterday, that the Long March rockets are of high quality, leaving the suggestion that the problem may lie with the satellites.

Chinese live television transmission of yesterday's launch was similar to last year's disaster. Viewers saw

the launch but transmission stopped before the rocket hit the ground. Last year viewers saw a red streak, a fireball, and the stunned looks of officials in the control room. Then a presenter said, "This has not succeeded" and transmission ceased. No further

information appeared for days and newspapers buried the story.

Yesterday's first official account, by the New China News Agency, stated only that the rocket had failed to carry the satellite into orbit. Later Shen Guofan, Foreign Minis-

try spokesman, said that although the cause was not known, "I don't think the accident will cause an adverse impact on China's co-operation with other countries."

Xichang, the nearest town to the launch site, is a small place surrounded by low mountains

and poorly provided with hospitals. A local medical spokesman said only that doctors had been sent down the valley to the launch site, which is at the end of a country road winding through paddies, and that the local hospitals were on alert.



Insurers are likely to raise premiums

BY ANJANA AHUJA

THE losses of Intelsat 708 and Long March 3B — the first rocket to be built entirely in China — have come at a bad time.

China's ambitious space plans were just coming to fruition, with the United States agreeing last year to allow the country to enter the lucrative commercial launch market.

The space programme was also beginning to recover from the adverse publicity surrounding the loss of the Apstar satellite just after its launch in January last year. The explosion, which China initially blamed on a malfunctioning satellite but was later attributed to wind shear, killed six people.

Things began to look rosier at the end of last year. A Long March 2E rocket successfully launched the \$200 million (£130 million) AsiaSat-2.

The launch was followed by triumphant announcements

of plans to put 25 domestic and foreign satellites in orbit by 1998. Only this month, the American Congress approved a plan to export three American-built satellites for launch aboard Chinese rockets.

Even if satellite manufacturers are still attracted by the cut-price costs of Chinese launches the insurance premiums may prove too high. In 1994, the insurance industry paid out more for lost satellites than it collected in premiums.

Things are not going smoothly in space for Japan either. Tokyo's attempt to develop a space shuttle programme has been interrupted by the loss of Hyflex, a hypersonic plane which would have travelled to and from the international space station. After launch from the Tanegashima Space Centre two days ago, it re-entered successfully but the parachute failed.



Bolger: move reflects country's independence

Wellington ends British honours

Wellington: New Zealand scrapped most of the honours it inherited from Britain yesterday, but is to retain the titles of knight and dame for the top honour holders. Jim Bolger, the Prime Minister, said:

"Honours such as Knight Commander of the Order of the British Empire (KBE) and the lesser Member of the Order of the British Empire (MBE) are to be replaced by a graduated system of orders of merit.

The decision was taken by the ruling National Party caucus. Mr Bolger denied it was a new step on the road to republicanism, saying it reflected the country's independence. "It will be a distinctly New Zealand system."

The Queen will still award the honours according to recommendations made by the Government. (AFP)

Moroccan Customs officers charged

FROM MARK HUBAND IN RABAT

ALMOST the entire senior management of Morocco's customs office has been charged with fraud and smuggling after a crackdown on racketeers and drug traffickers. The drive also saw 16 Moroccans and three Spaniards in court this week charged with smuggling cannabis to Europe.

Among those accused of customs fraud was Ahmed Hamza, the officer leading the Government's campaign against fraud within the customs service. He was charged along with Ali Amor, the director-general of customs, and 17 officials, including Jai Hokaimi Hamed, Mr Amor's predecessor. They will appear in court on March 7, charged with complicity in smuggling and professional misconduct.

The arrests came two months after the Government announced its intention of swooping on professional smugglers responsible for bringing contraband electrical goods, clothes and food into Morocco in a business estimated at £2 billion a year in lost duties.

In a separate smuggling case two brothers and their accomplices were this week jailed for up to five years for smuggling goods into Morocco, and fined £600,000.

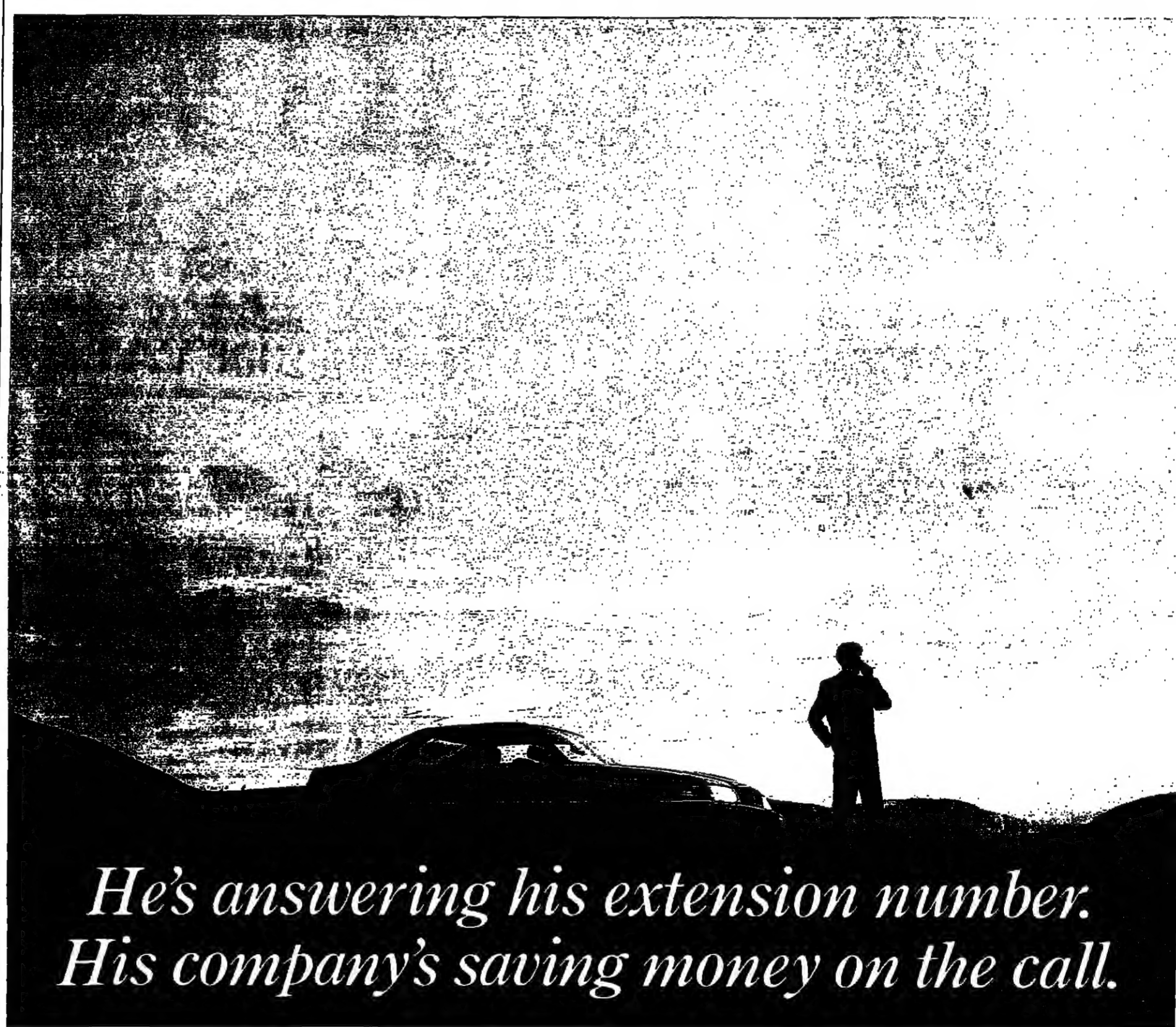
Rwandan refugees seized

Kibumba Camp, Zaire: Soldiers trying to force Rwandan refugees to go home closed down businesses in the largest camp yesterday after arresting ten people for alleged intimidation.

United Nations officials said five people were arrested on Tuesday and five on Wednesday in an attempt to prevent the intimidation of Rwandans thinking of returning home.

Carroll Embury, spokesman for Refugees, said he expected arrests in other camps. He also expected Zaire to impose an economic embargo except for food, water and health services.

In the muddy alleyways of Kibumba's tarpaulin city, all but a few shops were closed and streets were full of anxious men clutching radios. Refugees accused troops of destroying their stalls and confiscating their wares. But



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'It is my duty to unite healthy forces in society to prevent possible upheavals, including civil war'

Yeltsin seeks second term as President

FROM RICHARD BEESTON IN MOSCOW

After the months of speculation about his political future yesterday when he announced his candidacy for re-election in June's presidential poll.

Despite widespread unpopularity and doubts about his health, the Russian leader gave a creditable performance before supporters in Yekaterinburg, his home town in the Ural mountains, where he launched his bid to recapture the mass support which swept him to power five years ago.

"It is my duty, as a human being and as a citizen and as a politician, to initiate reforms in society and to unite all healthy forces in society and to prevent possible upheavals, including a civil war," he said. "That is why I have decided to run for the Russian presidency and I announce this decision here in my home town."

President Yeltsin did not spell out his campaign strategy nor details of his electoral platform. However, it seemed clear that he plans to travel widely in the run-up to the June 16 election in the

hope of rebuilding a popular following. Much of his rhetoric was directed against the danger of a Communist victory, which he predicted would return Russia to the darkest days of Soviet rule and even provoke a new civil war.

"At these elections, not only I, but the whole of Russia will lay on the railway tracks and we must do everything possible so that we, Russians, and our country do not perish beneath the red wheel of the [Communist] past," he said.

As for policies, the Russian leader insisted that he was committed to economic reforms, democracy and human rights. But he added that the course of change would have to be altered to cushion the effects of liberalisation.

President Yeltsin said he would find funds to help poverty-stricken pensioners and unpaid workers and that he would work to eradicate government corruption and organised crime. As a first step, he hinted at a purge of the leadership, suggesting that Gener-

al Pavel Grachev, the unpopular Defence Minister, may be sacked and that Aleksei Ilyushenko, the former Prosecutor-General, may be tried on corruption charges along with 1,200 other officials.

He also made it clear that he planned to deal with the Chechen separatist conflict with an iron hand. He ruled out the possibility of a military withdrawal and suggested at one point during a walkabout in the city that Chechen rebel leaders should be arrested and shot.

In spite of two heart attacks last year, prolonged absences from public view and mounting criticism of his autocratic leadership style, President Yeltsin proved yesterday that he still has the energy for the hard campaign before polling day on June 16.

"We are stronger than those who, throughout the years, have been putting spokes in the wheels and impeding our progress towards a great and free Russia and towards a decent life for all Russians," he declared.



President Yeltsin announcing yesterday that he will seek re-election

Zyuganov pick as Communist standard-bearer

FROM THOMAS DE WAAL IN MOSCOW

THE Russian Communist Party nominated Gennadi Zyuganov, its leader, as its presidential candidate yesterday after intensive negotiations to find a figure to unite the Left against President Yeltsin.

As expected, delegates at a one-day party conference unanimously endorsed Mr Zyuganov with a flutter of red voting cards before standing to sing the *Internationale*.

The party leader called Mr Yeltsin "a fairly vulnerable figure" and said the re-election of the President "would mean the destruction of our country".

A wide range of smaller left-wing groups have been persuaded over the past few weeks to back Mr Zyuganov as the "united candidate" of the Russian Left. But the price of unanimity for Mr Zyuganov was a pledge to support the party favourite and popular Siberian politi-

cian, Aman Tuley "reserve" candidate. Tuleyev said he would sign the nomination documents as a candidate, draw later in favour of Mr Zyuganov, 51, maths teacher from an eastern region of the country, as a compromise, acceptable to all.

His strengths are party organiser and malleable leader, and side was revealed in ponderous speech before delegates, and listened to silence. He made few policy proposals and most of his rhetoric long catalogue of the current regime.

"Citizens in Russia anticipated only three things in one of the eloquent lines: 'The right to the right to be answered nothing.'"

The Communist party, an estimated membership of half a million, has organisational bases in regions, which will conduct a strong campaign. Its problems stem from its fashioned image. Mr Zyuganov's delegates day's conference appear to be late middle-aged ranking Soviet bureaucrats who had failed to adjust to changes of the G years.

Several guest speakers warned of the danger that the party needed to capture the presidential base in June. In December's parliamentary elections, it topped the poll with 15 million votes.

A repeat of that will guarantee Mr Zyuganov a run-off in the pre-election against Mr Yeltsin, another candidate, but he will need million votes.

Hopefuls set for vain race

THE front-runners in the Russian presidential race are likely to be joined by scores of other hopefuls (Richard Beeston writes). Their supporters are currently gathering the one million signatures necessary for a candidate to be accepted by the Central Electoral Commission by the April 16 deadline.

As with the parliamentary polls in December, when 43 parties competed for the Duma, the lower house of parliament, voters will be able to choose from a bewildering array of candidates, who have little chance of winning.

If no one receives more than 50 per cent of the first round vote, a run-off takes place between the two leading candidates a month later. Only in this final stage will it become clear who is to become Russia's next leader.

Top British officials in EU subject to corruption claim

BY CHARLES BREMNER

THE European Commission hopes to reach a speedy decision on whether to open proceedings against Michael Emerson, one of its most senior British officials, who is under investigation over allegations that he exploited for personal gain his posting as EU Ambassador to Moscow.

A spokesman for Jacques Santer, the Commission President, said he was determined to root out any misconduct by officials and was "very keen to clarify these matters as soon as possible". He confirmed that Mr Emerson, 55, who played a key role in the setting up of the European Monetary System and served as a close adviser to Roy Jenkins when he was Commission President, was the subject of an internal inquiry. "We are also listening to Mr Emerson to hear what he has to say," he said.

Mr Emerson, an Oxford-educated economist who has served in the Commission since 1973, returned from Moscow last month at end of a five-year tour as the EU's first representative at ambassadorial level in the Russian capital. He is now working in the section responsible for rela-

tions with Eastern Europe, the former Soviet Union.

Close friends said they were amazed by the allegations against Mr Emerson, whose wife, Barbara, is a successful history writer. "He is not at all the chap who would be involved in something shady," said a long-time friend. "He is most of a somewhat unperson."

A colleague in the EC Affairs Directorate who has spent most of his career and one of the top officials in the "very energetic, ambitious," but added: "I of him having his finger in the till would be surprising."

One of the chief tasks of Moscow representatives is to oversee the disbursement of tens of millions of pounds in EU aid to Russian businesses.

The Commission had received information from a non-Russian source which alleged that Emerson had used his position to direct funds to businesses in which he had an interest, a Commission source said.

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V S S R O P B N P T I O T D S T C E S I

Diary Matthew Norman

CONCERNS for my missing friend Dr Julian Lewis, the radio ham of Tory Central Office, reach a new pitch of dementia, but I have stopped leaving my messages on his answering machine...

MEANWHILE, another so-called rival, the diarist at the downmarket Daily Express, has cruelly maligned my old friends the Folletts...

IN the world of tourist information, local knowledge has long been considered a benefit, but periodicals are a rethink...

EXCELLENT news from the heart of New Labour: there is now such a thing as "The Two Thousand Club" for regular cash donors...

AN intriguing debate has broken out on the pages of Earth First, a journal of the radical ecological group...



Aix and pains of critics in aspic

Commentary Peter Preston

JEREMY ISAACS once asked a particularly interesting question. (Which doesn't mean that, face to face on television, he doesn't usually ask interesting questions; or that, padding doggedly round the chaos of The House, he and his team don't occasionally seem a giant question mark.)

The trouble with you lot, said Isaacs, beginning a thoroughly enjoyable rant, is that you're not remotely typical - you're bloody atypical. I was there last night. The audience was young and enthus-

astic. They loved it. They haven't done nothing but go to the opera for a living for 30 years, comparing notes and drinking Reisinger together in their tedious little world. They don't care whether last night was better or worse than Aix in 1978 or Milan in 1985. They didn't see the definitive interpretation in Verona in 1949. They went to a show. They loved it. Who needs all this historical, internalised, self-referential, preening, snobbish crap?

End of round one. I paraphrase because all the lynchpins were too stunned to take notes. There were at least nine more rounds as the critics fought back before coffee stopped play. But there was still a bit of food for thought left on the floor.

So, opera is opera. And ballet (because recordings aren't really operative) is probably even more argumentative. Theatre, with a greater ponderance of new work, is different again. But movies offer some surer bearings. You can check back and forth through decades of history.

Different art forms, and the writers who follow them, do operate to different rules. Most opera is old opera; most opera critics have been on the job for years, comparing and contrasting come naturally. The weight of the past irresistibly summons to sit heavy on the stomach of the present. And, because the performance itself - recordings apart - has gone forever, recalled only in the mind's eye, subjectivity is total, which means the scope

McQueen/Sam Peckinpah thriller, The Getaway. Again, it was inferior, routine, not worth the effort. But that was almost exactly what the critics of 1972 (alas, often the same critics as in 1993) said about the Peckinpah original.

What TV critic would think of comparing Seinfeld with Sergeant Bilko or NYPD with Z-Cars?

At which point you can almost hear Jeremy Isaacs thumping the table. Something happens down the long time tunnel of critical memory. Something which didn't seem anything to shout about in the fifties can suddenly be deemed a retrospective classic 42 years on, merely because a different director and a different cast have remade the same yarn.

But (thump, thump) lofty theses from 1954 are a practical irrelevance; the de-luding, changing past itself is an irrelevance.

What life and memory, dissected and compared, aren't quite like that. I'm sure Jeremy Isaacs - who came to opera from television, from instant whip to Cabinet pudding - is still chuntering in frustration. I'm sure the audience streaming out of The House tonight doesn't give a fig for what happened in Aix in the sixties. And I'm sure that the teens and twenties, blubbing or groaning out of Sabrina, haven't a clue or a thought about 1954. Play it as it lays. Don't choke in the time tube.

Gerry's truth embroidered on my heart



Bel Littlejohn

THAT was a brave decision, and I am truly glad to be associated with the newspaper that made it. And nice timing, too. I'm talking, of course, about the Guardian's courageous stand in letting Mr Gerry Adams put over his point of view on this page on Monday, to tie in with the IRA explosion in Canary Wharf. Shame, in a way, that we couldn't have printed it on the Friday morning, so as to get people in the right mood for the evening's explosion. Sometimes, if you explain these things beforehand, then ordinary decent people - newswriters, shop assistants or whatever, people not yet wholly "politicised" - feel much more at ease when they actually happen.

senior commentator, broadcaster and opinion-former, to comment on the delicate Ulster situation. I attack the question with a depth of informed passion ("In the words of the Paul McCartney song, let's for God's sake give Ulster back to the Northern Irish!" I announced bravely on Question Time last week) that frankly gives some of my fellow panellists - a lot of them just locals from the province, unaware of the larger international issues involved - a much-needed kick. Back to Gerry. Believe me, he's a genuinely lovely guy who hates to see a little child blown up in a necessary, if regrettable retaliatory gesture against the stubborn post-colonial aspirations of a discredited British government. His moving article in Monday's Guardian offers generous comfort to the parents and friends of his victims: "At this time my thoughts are with the families of those killed and injured," he writes, movingly. "I understand the pain they are going through. Personally, I hope someone out there will embroider those beautiful words on a lovely Northern Irish linen tea-cloth, so that those of us who are forced to live far away from that war-torn province can hang them over our Agas and look to them for succour in our darkest hours."

CAN I share some very personal tales about Gerry? As a schoolboy, he proved himself a great leader of men. When his fellow pupils would start to kick one of the more obnoxious new boys in the shins, Gerry would remain calm and thoughtful. "It is wholly regrettable to me that this action was provoked by the unwarranted attitudes of the young and led in question, who must bear total responsibility for the collapse of the non-shin-kicking agreement," he would announce, viewing the kickings with an understanding smile, enjoying them, yes, but never condoning them.

As a young man, he always had a tremendous sense of occasion, insisting on nipping down to the barber to have his hair re-layered before waving his men off to do battle against the forces of imperialism. Yet he was also always endearingly self-effacing, taking pains to insist that others lead in question, who should be seen at the head of Troops Out march, particularly if it seemed possible that the glory of full-scale battle involving death and injury might be theirs to treasure.

It was no doubt his inner humanity that inspired him to write the great, heart-stopping line in Monday's paper: "It is crucial that people sit down around the table and treat each other as human beings." And believe me, no one knows better than Gerry what a human being looks like, alive or, well, not so alive. Cheers, Gerry!



Trade is the tyrant

The arms-to-Iraq fiasco reveals how far Western countries will go to maintain their industrial and military potency, says Martin Woollacott

THE truth crisis has become the defining calamity of modern democracies. If the grandparents in the Iran-Contra affair, now the progeny are all around us, from the dirty-war scandal in Spain to the Berlusconi trial in Italy and the Scott inquiry in Britain.

Different in origin and scale as they are, and the case of the Iraq guidelines is at the low end of the scale, they are all affairs which lend themselves to handwringing. They reinforce the view that all is conspiracy, that everything divides into misleading facade and a dirty reality. Yet sensible citizens know that free politics and truth are close but uncomfortable companions. They can never part company but, equally, can never be quite as one. Society's own hypocrisies are projected on government, demanding that public homage to certain virtuous objectives be combined with a vigorous pursuit of material interests. The covert arm of government, the legacy of world wars and the East-West conflict, is in itself a symbol of the fact that some acts of power are both illegitimate and secret, the reconciliation of which with traditions of disclosure is always difficult and often impossible. Yet we should do justice to politicians in Western societies in assuming that they do not lightly break or bend the rules. When they do there is usually an element of desperation, and one of the problems is that the desperation is sometimes as much a secret as the covert policies which spring from it. In recent scan-

ing capacity. There is a merry-go-round here on which a dozen advanced countries ride. Their pretensions in aerospace, in communications technology, in electronics generally, in both military and civilian advanced products, cannot be indefinitely sustained. Nearly all have staged strategic retreats from certain sectors, and gone into more and more joint projects. But still, it is not enough.

Nobody should underestimate the frightening aspects of these developments. Even the revolution in Russia can be seen as a special instance of them, as the Soviet Union gave up the struggle to maintain even a semblance of technological equality with the United States. China's recent decision to end conscription, and the decisions which await him on the future of French arms manufacturing, belong in the same category. So do the troubles of Deimler-Benz and of Volkswagen in Holland. Even the United States, the solitary country still able to maintain a full military-industrial base, is having difficulties, with President Clinton ridding up Gulf monies to sell tanks personally. Under these circumstances trade seems to become not a matter of profit or jobs nor of influence but of staying off the death of industries, and ultimately, perhaps, of ceasing to be an advanced economy.

It may be objected that the relatively small sums involved in supplying Iraq in the late eighties can hardly have made this kind of difference. But the question is not the amount but the mood of the time, when the French were picking up large arms orders and when all Western countries were competing for the quasi-military and purely civilian business which every body calculates Iraq could still afford, or, at least, could pay for later. The ceasefire

which effectively ended the war with Iran must have seemed a fair enough reason for abandoning some of the restraints in place during the fighting.

The situation is probably worse today than it was at the end of the eighties. Intelligence services in every advanced country are touting their services in economic espionage - aiming in some cases to steal one another's technology and in others to nip rival trade deals in the bud. The struggle for Iraq still goes on, with its former trade partners positioning themselves for a resumption of business and with most trying to curry favour with the regime.

This week Russia and Iraq signed agreements on oil exploitation, to come into effect as soon as sanctions are lifted. Iran is the subject of the same kind of wooing. China saw off President Clinton's attempt to make trade conditional on human-rights "advances" in his first year in office. Now the President signs an order permitting the sale of satellite technology to China on the same day that Chinese exports of nuclear materials to Pakistan are revealed. In Britain, the proposal to deport Mohammad Al-Mas'ari is in clear linear descent from the days of Matrix Churchill.

We are getting to the point where we need the less developed societies more than they need us

ingly dependent on civilian spin-offs rather than, as was the case for many years, the other way round, this waxing of a double loss of potency, both industrial and military. This is why, incidentally, the British government's argument that the supply of non-lethal defence equipment is more defensible than that of lethal equipment, arms proper, is wrong. Non-lethal equipment is actually more important than lethal equipment in giving a country, particularly a rich and technically sophisticated country like Iraq, war-mak-

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Rentokil is forced to go public on BET bid

Patrick Doonan
City Editor

THE Rentokil Group was forced to announce publicly yesterday that it was planning to make an offer to buy the industrial services group. The bid was valued at £1.8 billion takeover approach to BET after confidential details leaked out into the market, sending the bid target's shares soaring.

After consultation with its financial advisers and the Stock Exchange, the pest control and security combine rushed out a short statement in which it confirmed that it had approached BET "with a view to discussing a recommended offer".

The takeover approach, which had been the subject of rumour for the past few days, is aimed at creating the City's biggest business services group, with operations ranging from security to textiles and resort management.

But Rentokil provided no information about how much it was prepared to pay for the industrial services group.

Nor did Clive Thompson, Rentokil's chief executive, drop any hint about whether he was prepared to table a hostile offer.

A company spokesman said: "We believe that it would be a very beneficial arrangement if we were to reach agreement on the recommended offer for BET."

Rentokil is 52 per cent owned by Denmark's Sophus Berendsen, an international industrial conglomerate active in more than 40 countries.

US and was returning to London overnight.

The bid target's advisers, Barings and Merrill Lynch, were yesterday helping prepare the company's response.

Shares in BET yesterday slipped by 34p to close at 164p, still below its year's high of 200p. Rentokil, which is being advised by Lazards, dipped 26p to 336p.

Analysts acknowledge the logic behind a considerable dilution of earnings. Disasters, City sources said any merger would lead to thousands of job losses.

The takeover approach represents a big opportunity for expansion-minded Rentokil, which has set itself the target of becoming the world's biggest industrial services company by the next century.

Mr Thompson has impressed the City by meeting his goal of generating annual earnings growth of 20 per cent over the past decade.

"It's a positive move for Rentokil if they get it at the right price," said analyst at Greig Middleton. BET's a lower-rated company, services is what Rentokil is an expert at, and it's got over the bottom of its problems and is on the recovery track.



Stepping lively... Chairman Richard Farnell received 84 per cent support at an agm. PHOTOGRAPH: MICHAEL STEELE

Farnell defeats shareholder revolt over Premier purchase

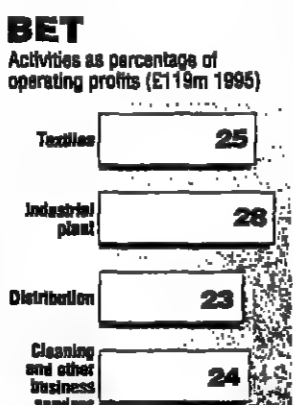
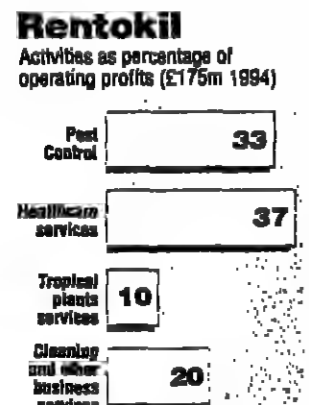
Pauline Springett
sees dissenters fail to overturn £1.85bn deal for US group

FARNELL Electronics, led by chairman Richard Farnell, yesterday defeated a shareholder revolt aimed at derailing its £1.85 billion purchase of US group Premier.

The new company, which will be called Premier Farnell, will be the world's third-largest electronics distributor, with annual sales of £1 billion and operating profit of £175 million.

Farnell's chief executive, Howard Poulson, said he was pleased with the outcome. "There is nothing magical about size except that it does matter in our industry."

Commenting on the adverse institutional reaction, he said: "It is unusual. It's a City thing. In this case, the whole focus of attention shifted to a shareholder revolt and everyone's lost sight of the benefit of the deal."



RENTOKIL is much more than just a ratcatcher. The construction of a luxury toilet a stone's throw from the Sarawak river and the planting of 2,000 custom-grown yew trees in a Washington office building now go hand in hand with vermin eradication, writes Richard Thomas.

Indeed, strategic, carefully planned acquisitions in related areas — health care in the mid-1980s, tropical plants in the late 1980s and security in the past few years — combined with strong growth in its core areas have been features of Rentokil's success.

But the driving force has been an aggressive, decisive management team led by Clive Thompson, which had the confidence to set a 20 per cent growth target for profits every year — and hit it 12 years running.

THE 1990s were good for BET, and it has paid the price since. Borrowing big to snap up more than 1,000 — often ill-matched — firms, while relying on cheap labour and the hope that firms would always need cleaners and distributors, the group came badly unstuck when the latest recession struck, writes Richard Thomas.

Once companies began looking for savings, contracted-out service work was one of the first places to trim. Saddled with £1 billion of debt at the beginning of the 1990s, BET resorted to emergency rights issues to survive, share values tumbled — and investors looked for a scalp.

They found it in the shape of chief executive Nicholas Willis — succeeding his father in the job — who was kicked upstairs to be executive chairman in 1991, before finally bowing out under intense City pressure the next year.

Inflation dips below 3 per cent

Larry Elliott
Economics Editor

THE biggest monthly fall in the cost of clothing and footwear since Lloyd George was Prime Minister helped send the annual inflation rate tumbling below 3 per cent last month for the first time in more than a year.

Officials said there was some evidence that stores selling furniture had artificially bumped up their prices by 50 per cent in December in order to be able to boast 50 per cent reductions in the winter sales.

However, they said that the price of electrical appliances such as vacuum cleaners and tumble driers had been driven down by over-production, which had left too many models on the market.

The City responded positively to the inflation data, believing that the drop in both the headline (all-items) rate and the underlying measure specifically targeted by ministers boded well for further interest-rate cuts.

'Chief engineer' of BCCI scandal challenges extradition to US

Dan Atkinson

THE "chief engineer" of the scandal that brought Bank of Credit and Commerce International to its knees has mounted a High Court challenge against his planned extradition to the United States.

Sayed Akbar, ex-head of BCCI's London-based treasury operation, had been due to face extradition proceedings yesterday.

He was charged with 16 charges of false accounting in relation to half a billion pounds. He was released in August 1995.

Originally, the US authorities wanted to try Akbar, aged 51, of Golders Green, London, for laundering drug money on behalf of deposed Panamanian dictator Manuel Noriega, but this charge seems to have been abandoned. It now seems the Americans wish to try him for the theft of \$15 million in New York in August 1988.

Synergy theory fails to attract



Edited by Alex Brummer

HAD Michael Lawrence still been chief executive of the Stock Exchange, investors would have been assured that the sharp movements in the share price of BET: ahead of the proposed offer from glamour stock Rentokil, would have been fully investigated and the results of the inquiry published.

As matters stand, the 7.5 per cent rise in BET's share price on Wednesday remains unexplained and by all accounts Rentokil has been rushed by the insiders into an announcement.

Putting that to one side, Rentokil now joins the elite band of highly rated companies — Granada is another — which propose to use their strong branding skills, management prowess and institutional backing to build ever stronger and more broadly based empires through acquisition. It is quickly forgotten, however, that the glamour stocks of the last decade, like Hanson, have become the dinosaurs of the mid-1990s, unable to maintain profits growth with unsustainable dividends and resorting to new fashions, like demerger, to release shareholder value.

In the case of Rentokil/BET, it is possible to argue synergy. Both companies are heavily into the office services and cleaning sectors, which are expanding into transport, security and employment agencies. It will be possible, presumably, for the same team watering and fertilising the Rentokil plants to clean offices and change the initial investments into profit after the rationalisation that has taken place at BET in the 1980s, as management sought to come to grips with its considerable problems. It remains a diverse, under-performing entity.

The deal involves Premier's largest shareholders, its founder Murt Mandel and his family, holding the largest stake in the new company, at 17 per cent.

Gas council to investigate Sweb 'pressure selling'

Tony May

AN INVESTIGATION is to be launched into "pressure" and "misleading" doorstep selling practices by the gas distribution arm of South West Electricity Board, the US-controlled power distribution company, the Gas Consumers Council said yesterday.

hads won't have to mess around selling the old programme: it will be in a position to flog entire channels' worth.

But the £10 a share being paid looks rich, even though ITV's average price (and Granada already owned 14 per cent of Yorkshire) is lower. The recent takeover hype has put a value of more than £315 million on Yorkshire, which managed profits of only £7 million in the first half of last year. Figures will, however, benefit if the Government in next year's review looks kindly on Yorkshire and reduces the large cash franchise fee it pays.

Even so, Granada could have its work cut out to justify paying so much, particularly when Yorkshire has made many cost savings and the companies already benefit by working together closely.

The prices achieved for programmes in the secondary market have habitually disappointed. If the future proliferation of broadcasters means that most of them are pretty impoverished, they simply won't be able to pay fancy prices, however seductive the idea of a Coronation Street channel might seem.

The value of any company, is what a bidder is prepared to pay. But once again the media sector is in danger of looking overly generous with its shareholders' money.

Yesterday, it was revealed that, despite a spending splurge in December and January, retail prices for manufactured goods in 1995, On Tuesday, there was some tentative evidence that house-building — a good lead indicator — might be on the way up. On Wednesday, unemployment fell for the 26th month in a row and the Bank of England admitted it was in error over interest rates.

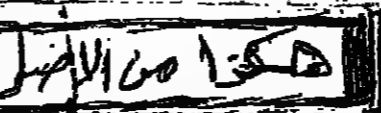
Media hype

SPECULATION that Granada's head had been irrevocably turned by the Forth world of hotels was quashed with the foray to mop up another 10 per cent of Yorkshire-Tyde Ties Television. By laying claim to Yorkshire more. Second, the Government may at last be about to gear some political credit from economic growth. Earnings growth has in recent months been insufficient to maintain living standards. That will be reversed over the coming months as tax changes affect pay packets.

Tourist Rates — Bank Sells

Australia 1.98	France 7.50	Italy 2.395	Singapore 2.13
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Belgium 45.00	Greece 389.00	Netherlands 2.465	Spain 184.00
Canada 2.0225	Hong Kong 11.70	New Zealand 2.23	Sweden 10.59
Cyprus 0.7075	India 66.14	Norway 6.57	Switzerland 1.78
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The Valmara 69 'bounding' anti-personnel landmine as used by Iraq in the Gulf War. One small movement of the trip wire sends the main body of the mine half a metre into the air, blasting 1,000 ball-bearings in every direction at over 1,000 mph. Anyone within a twenty five metre radius will be torn to pieces. These devices can be linked together in order to increase the kill radius. Valmara 69 landmines cost just £30 each.

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Buchanan hit by linking of aide to extremist groups

FROM MARTIN FLETCHER IN NASHUA, NEW HAMPSHIRE

PAT BUCHANAN'S surging presidential campaign ran into trouble yesterday when a Washington watchdog group linked one of his four campaign co-chairmen to the militia and white supremacist movements.

Mr Buchanan said the co-chairman, Larry Pratt, denied the charges and had temporarily left the campaign to disprove them, but the allegations reinforced charges of extremism being levelled at the conservative commentator.

Rival derides Dole

FROM TOM RHODES IN WASHINGTON

THE contents of previously undisclosed tapes involving discussions between Newt Gingrich, the House Speaker, and his allies revealed a series of negative comments about Robert Dole yesterday.

In the tapes, which were published by the *Los Angeles Times*, Mr Gingrich and his conservative activists scorned the senator for abandoning their crusade to plot the Republican revolution.

Mr Gingrich described Mr Dole as one of a significant number of Republican senators "committed to a minority values system in which being pleasant and being invited to



Lamar Alexander, the new "hot" Republican candidate, goes campaigning in Milford, New Hampshire

by other Republican candidates. Robert Dole, the Senate leader, launched an advertisement suggesting Mr Buchanan wanted to give South Korea nuclear weapons and quoting him once saying that "women are simply not endowed by nature with the measure of single-minded ambition and the will to succeed". The narrator concludes: "He's too extreme. He can't beat Bill Clinton."

With five days left before the New Hampshire primary, the candidates were last night holding a final televised debate, and a flurry of new polls showed support for Steve Forbes plummeting while Mr Buchanan and Lamar Alexander close on Mr Dole.

Mr Forbes' predicament was obvious from the media scrum that greeted him when he arrived for a Rotary Club lunch in picturesque Milford on Wednesday. In size it matched those he attracted before his disastrous fourth place in Monday's Iowa caucuses. However, this time the journalists were not there because the free-spending publisher was the "hot" candidate, but because they scented blood. They pinned Mr Forbes against the side of his bus and skewered him with questions. Had he messed up? Would he stay in the race? Mr Forbes acknowledged errors and said he was ending the negative advertisements voters so abhorred. As each of his 9,816 votes in Iowa cost \$400 (£260) that seemed a shrewd decision.

Mr Alexander is the new "hot" candidate. On Wednesday night, despite a fearful snowstorm, the villagers of Londonderry packed their church hall to hear the former Tennessee Governor and converts wearing his trade mark red-and-black checked shirt suddenly seemed everywhere.

This was transparently a man on a high. He spoke more than an hour. He was unable to name the price of milk, an embarrassing slip for a candidate who claims to be from the "real world" outside Washington, but capped an otherwise virtuoso performance by playing Alexander's *Ragtime Band* and *God Bless America* on the piano. He ended Wednesday in the living room of the Pfaff family in the village of Hooksett. Mr Alexander stood before the fire. The Pfaffs and their neighbours sat around on sofas. "I have new ideas, Senator Dole has wrong ideas," he told them.

Another measure of Mr Alexander's rise is the appearance of the muckrakers.

Newspapers reported on how Mr Alexander parlayed his political status into a \$3 million fortune through "sweatheart" deals.

"While there have been no suggestions of illegality, some of the Alexander family's windfalls make Hillary Rodham Clinton's ability to turn a \$1,000 investment in hog belly futures into \$100,000 look like winning the pot in

penny ante poker," the *Boston Globe* said.

Mr Dole is running the classic frontrunner's campaign, piling up endorsements and avoiding gaffes. He is taking this to ridiculous extremes. He called a press conference for William Weld, Governor of Massachusetts, and George Allen, Governor of Virginia, to endorse him, but did not attend.

US calls Bosnia summit

America has summoned the three leaders who signed the Dayton peace accord to a summit in Rome tomorrow in an attempt to overcome the impasse in Bosnia and prevent the accord unravelling (Michael Binyon writes).

Italy, which holds the European Union presidency, has been chosen as the venue of the first of what are planned as regular meetings between the Presidents of Croatia, Serbia and Bosnia. The tension in Mostar and Croatian opposition to the work of Hans Koschnick, the EU-appointed administrator, are high on the agenda.

Pakistan arms deal threatened

Washington: The Clinton Administration, locked in a row with Pakistan over its suspected purchase of nuclear equipment from China, has said that shipments to Islamabad of American military aircraft and arms may be delayed (Tom Rhodes writes).

During a visit to Washington this week Nawaz Sharif, the former Pakistani Prime Minister, appealed to the White House to ignore its own intelligence and complete the \$366 million (£240 million) weapons deal authorised by Congress last year.

Voters stay away in Bangladesh

Dhaka: Huge numbers of Bangladeshi voters stayed away from parliamentary elections, frightened by violence in which at least 14 people were killed, or observing an opposition boycott. Despite a show of force by nearly 300,000 security personnel, just six to 12 per cent of voters turned out in many places. However, Begum Khalida Zia, the Prime Minister, said she was pleased with the process. She has said she will form the next government even if there is a turnout of only 10 per cent. (Reuter)

Trial of Rabin's killer adjourned

Jerusalem: The trial of Yigal Amir, 25, the self-confessed assassin of Yitzhak Rabin, the Israeli Prime Minister, was adjourned until March 3 to enable him to undergo more psychiatric tests ordered by Edmund Levy, the trial judge (Christopher Walker writes). Amir's lawyers said the tests could lead to a new defence strategy focused on his emotional state at the time of the killing.

Russians raze Grozny palace

Grozny: Russian soldiers used high explosive to demolish Chechnya's ruined presidential palace, a symbol of resistance to Russian troops in the regional capital. Troops and armoured cars sealed off central Grozny for the demolition, which was said to be for safety reasons. (Reuter)

Kabul depot blast kills 60

Kabul: Up to 60 people were killed and scores injured in Kabul when a huge blast in a munitions depot at the Afghan presidential palace ripped through the war-torn city, officials said. (AFP)

Swedish boy 'is Mitterrand's son'

FROM BEN MACINTYRE IN PARIS

A SWEDISH journalist and close friend of the late Francois Mitterrand claims she is being hounded by the European press over rumours that the former President may be the father of her son, seven, according to a French magazine.

Christina Forsne, the former Paris correspondent for a Swedish newspaper, has refused to deny Mitterrand is the father of Ravn. *VSD* reported yesterday.

Mitterrand acknowledged the existence of an illegitimate daughter, Mazarine Pinget, 21. Both she and her mother, Anne Pinget, attended the Socialist leader's funeral last month.

Alongside photographs of Ms Forsne and her son, the magazine reproduced an ambiguous interview she gave to the Swedish newspaper *Aftonbladet*, in which she said she had been "very close" to Mitterrand but declined to say whether he was the father of her child.

"I think I have my own reasons for neither confirming nor denying the claims," she was reported as saying. "I don't want my son mixed up in all this."

Ms Forsne has gone into hiding, claiming that journalists and photographers have descended on her homes in Paris and Anjou, as well as her son's school in the Swedish city of Gothenburg. She is believed to have left Paris at least six months before Mitterrand's death on January 8.

When asked whether she knew Danielle Mitterrand, Ms Forsne reportedly replied that the former President's widow "is more than aware of my existence".

The suggestion that the boy is Mitterrand's son is open to serious doubt. The child pictured in the magazine is blond, whereas all the former President's three children have dark colouring.

In 1989, when Ravn was conceived, Mitterrand was undergoing intensive treatment for prostate cancer, of which impotence is a common side-effect.



Samper: convinced that there is no evidence

Samper charged over poll

FROM DAVID ADAMS IN MIAMI

PRESIDENT SAMPER of Colombia is one step closer to impeachment after the Attorney-General charged him with drug-related electoral fraud.

The President's fate now lies in the hands of Congress, which is controlled by Senator Samper's ruling Liberal Party. The charges were presented to a congressional committee, which must decide whether there is sufficient evidence for impeachment. He is the first President to face such charges.

Senator Samper reacted immediately saying he was "absolutely calm", and convinced that there is no evidence. Some observers agree, but few believe he is innocent. The latest group to question the his word is the Roman Catholic Church.

Senator Samper's party is accused of receiving more than \$6 million (£3.8 million) from the Cali cocaine cartel to finance his 1994 election campaign. The charges also include illicit enrichment and obstruction of justice.

Bargain bonanza as Dubai stages world's biggest sale

BY MICHAEL BINYON, DIPLOMATIC EDITOR

THE doors of more than 2,000 shops in the tiny emirate of Dubai were flung open yesterday as the biggest sale in the world began.

Thousands of bargain hunters — including hordes of Britons and Americans — are flocking to the Gulf to take advantage of compulsory price cuts of up to 70 per cent.

There was no need to haggle as all Dubai became a giant souk. Gold, silver, Japanese cameras, Parisian silk scarves and all the goods traditionally found in the world's most unlikely retailing capital are there to be snapped up.

Shopping in Dubai, once a quiet backwater where only bronzed pearl-divers broke the tranquil ripples of daily life, has long been a national obsession. Smuggling has fattened the economy, and now the little emirate — part of the United Arab Emirates — ranks as one of the world's top tourist destinations.

Before 1970, Dubai was little more than a collection of low, mud-built houses. Oil transformed everything. But the gush of money is limited: Dubai's oil reserves are likely to run out in 2005. Retailing is the hope for future prosperity, and the emirate's sale is an attempt to boost that trade.

Though the summer temperatures may top 50 C (122 F), air conditioning in the miles of marble malls has made shopping bearable even then, and in the depths of winter the air is a balmy 22 C (71 F) and the sea still tempting.

The six-week festival is designed to lure almost 1.5 million shoppers from every continent. They are expected to spend more than a billion dirhams (£178 million), and the cost of hotels and services may bring in seven times as much — a staggering sum for a country with a population of 550,000.

Dubai has long boasted that its prices are the lowest in the world. The lure for its neighbours in the north, especially in former communist countries, is irresistible, and virtually every snowy Siberian town or Uzbek market still sells garments, watches and electronics taken back in casefuls by planeloads of Russians and Central Asians.

Dubai has asked cultural icons from its favourite shopping nations to give the festival a boost. The Moscow State Philharmonic Orchestra, the St Petersburg Ballet and Julian Lloyd Webber, the British cellist, have been invited. America will be represented by Minnie Mouse and 29 companions.

But such flights of cultural fancy are probably far from the minds of the 300,000 foreign shoppers. They are more likely to be lured by the sporting programme Dubai has laid on: the Tennis Open, which started yesterday, the Dubai Desert Classic golf tournament from March 14-17, and the world's richest horse race, with a purse totalling £2,500 — the Dubai World Cup on March 27.

Dubai's rulers have long been sport and shopping crazy. Sheikh Muhammad bin Rashid al-Maktoum owns more thoroughbred racehorses than any other breeder in the world. Cricket is also making inroads among the huge immigrant population from India and Pakistan.

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Prince weds Puerto Rican bellydancer

BY QUENTIN LETTS

ONE of pop music's oddest figures, the singer once known as Prince, has wed in quixotic manner. His wife is a Puerto Rican bellydancer, Mayte Garcia.

Prince no longer answers to that name, preferring to be known by an unutterable symbol. This presented difficulties for the exchange of vows, so when Miss Garcia wanted to indicate the identity of her husband-to-be (as in "I, Mayte Garcia, take thee... to be my lawful, wedded husband"), she pointed to a representation of Prince's symbol that she was wearing around her neck. The Rev Keith Johnson, officiating, made allowances as he is an old friend of the groom.

The wedding was planned for Paris, but owing to bureaucratic delays, was eventually held at a church in the Belgrade home-

the couple announced their marriage on the Internet. As the 30-minute service proceeded, a page on the Internet gradually depicted a psychedelic image of the happy couple, surrounded by purple patches, symbols and manacles. "Welcome to the dawn," it announced, "coincidence or fate?" Prince's musical colleagues in the New Power Generation Orchestra composed a symphony, *Kama Sutra*, to celebrate the wedding on St Valentine's Day.

It was not disclosed if Miss Garcia, who is a dancer in Prince's band, will take her husband's non-name. The couple left the church under a canopy that covered the distance from the church door to the waiting limousine, frustrating photographers and numerous fans.

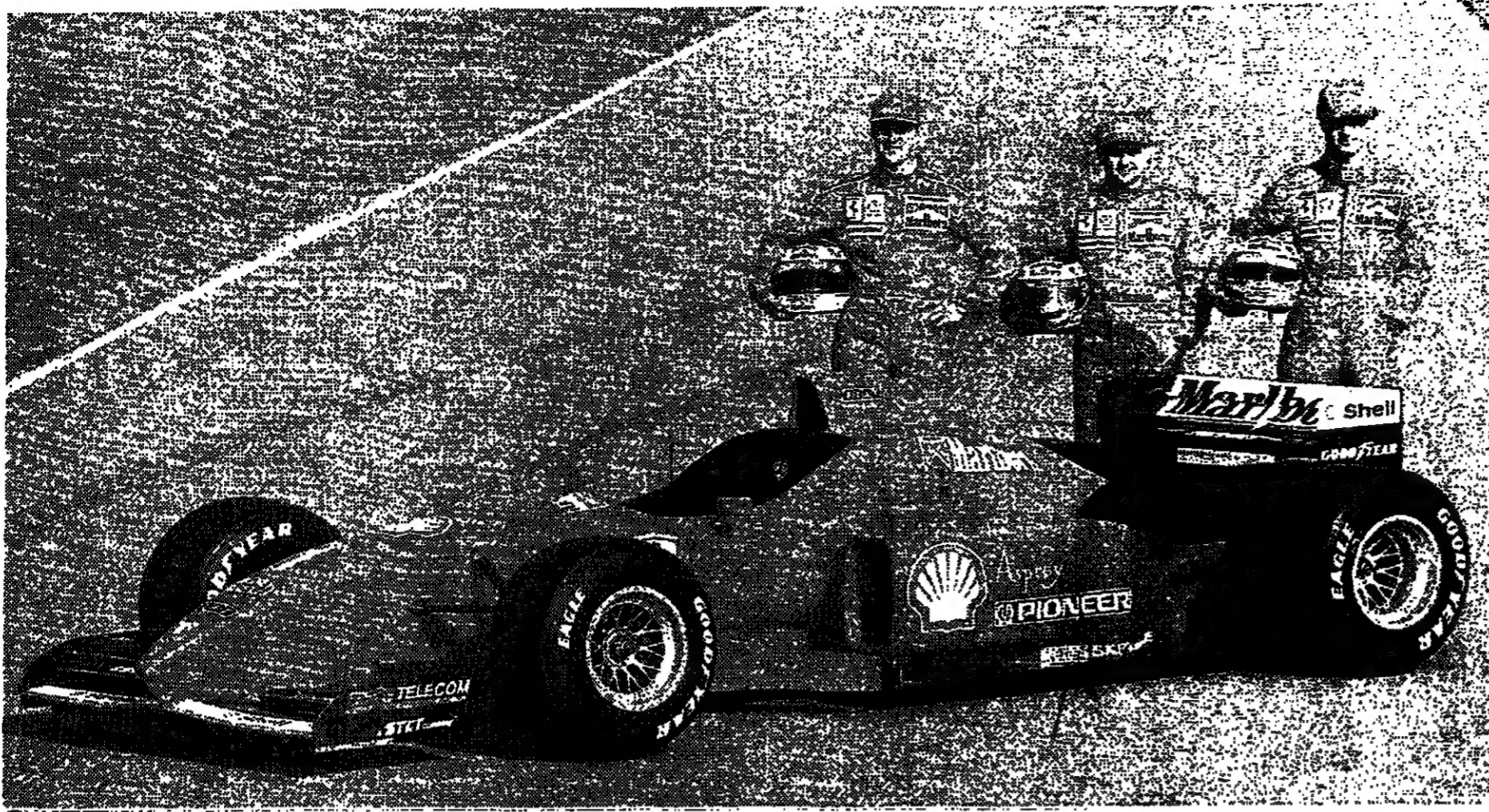
A reception was held at a recording studio in the Min-



Handwritten signature or text at the bottom of the page.

Sports Guardian

SCHUMACHER UNVEILS THE REVOLUTIONARY NEW FERRARI




Figures in a landscape... Schumacher (left) and team-mates Nicola Larini and Eddie Irvine (right) stand to attention as the new Ferrari parades its lines and logos

'We have the means to win the championship. Last year we had two good drivers in Alesi and Berger but this year we have something more: we have a star'

IN A time-honoured ceremony which during recent years has come to represent the ritual triumph of hope over experience, the Scuderia Ferrari yesterday presented their contender for the 1996 Formula One championship, a car so eagerly awaited that its unveiling upstaged even the presence of the team's new leader, the German double world champion Michael Schumacher.

After a week of testing in Portugal the new car will make its debut at the Australian Grand Prix on March 10. This will be the 55th grand prix contested by the Scuderia Ferrari since the world championship began in 1950. Yet only eight of its record 105 victories have come in the present decade, no Ferrari driver has won the world title since Jody Scheckter in 1979 and last year's sole success was Jean Alesi's lucky strike in Canada.

ant president, Luca di Montezemolo, was persuaded to issue a more bullish pledge of three victories in 1996. That may not sound many but it is one more than the red cars have managed in the last five years and then the World Cup in Italy has taught him that while judicious understatement may be fine for Germans, the Italian people require bold promises.



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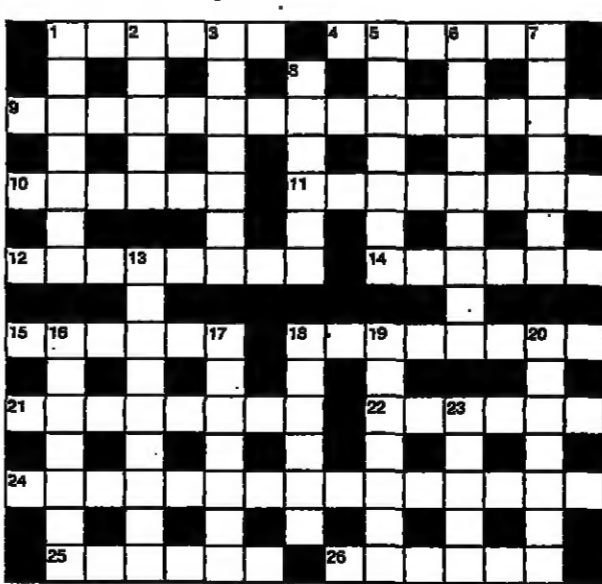
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Guardian Crossword No 20,577

Set by Mercury



Across

- Lay ill, all in (6)
- Frisk doctor in prison (6)
- Car in fog reversed onto barrier, for which driver's fined (8,7)
- Modest tea set needs replacing (6)
- Circling overhead keen to protect ringleader (8)
- Groan about mould on fabric (6)
- Show evil student leaving once nothing's missing (8)
- You finally fled with us to a planet (6)
- Fish tea noisily consumed by theatre worker (8)
- Meticulous accountant rejected by clergyman (8)
- Not a day to admit bad back is sagging (6)
- Which provides writers with useful points? (8,5)

Down

- Baffled cast (6)
- Marsh will be found if not in service (6)
- Comrade starts running into trouble (7)
- Seem so short of round faces (5)
- Flavouring I understand a joiner goes without (7)
- A couple of fellows, competent and friendly (7)
- Living on bread endlessly, object (9)
- Fancy Colin accepting an account that's brief? (7)
- Disregard, in Scandinavian money, about £1,000 (6)
- One can run reviews for a BBC employee (8)
- The most prosperous being Eric he's taken inside (7)

17 Believe partition will be used during broadcast (7)

18 Notice the angry people do it (6)

19 Leave after having less than required amount of experience (7)

20 Mythical musician scrambled up horse (7)

23 Ring a salacious rap, wanting some entertainment (5)

Solution tomorrow

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Sky high demands from Bruno



Frank Keating

LORD HOWELL and his chums in Westminster's upper chamber who ganged up last week against Sky TV's exclusively found some surprising support off the Atlantic coast of Africa yesterday when Britain's two most celebrated champion boxers chipped in their own two penn'orth about Murdoch's satellite sports channel.

Nigel Benn and Frank Bruno are both in Tenerife's sunshine preparing for their upcoming world championship defenses - Benn's against Thulane Malinga in Newcastle on March 2 and Bruno against Mike Tyson in Las Vegas a fortnight later. First, the always combative Benn refused to let Sky cameras film his training because, he said, "they have not shown me consistent enough respect in my years as champion". This seemed particularly quirky on Benn's part as Sky were looking to promote the fight their cameras are covering. But if the mood takes you, I suppose an Englishman is allowed to cut off his nose to spite his face on the island. Admiral Nelson lost his arm. Bruno's outburst was much more out of character. In his case he is costing the promoters an arm and a leg to fight - £4 million - but rumours are thick that they will be charging subscribers extra to watch it. If so, Bruno wants a cut of the extra revenue above the £4 million purse he originally negotiated when the fight with Tyson was made following his victory over Oliver McCall - a contest which gave Sky reportedly their highest ever viewing figures in Britain.

NOW sport's most crudely totem might be turning nasty. "I'm grateful for my £4 million. That's the going rate. But if Sky are doing 'pay-per-view' it could put a different complexion on my gratefulness. But they won't tell me anything. If it is pay-per-view and they want me to participate, aren't I entitled to a little shout? But they just call me greedy. It's not greed, it's business. I have been trying to meet Mr Chisholm (Sam, Sky's chief executive) for a long time. When I was invited to 10 Downing Street by John Major to meet Bill Clinton, I near this Mr Chisholm is there, so I'm chasing around the rooms trying to get hold of him and I just can't get to meet the guy. Where is he? Who is he? Is he Prince Charles or something royal?"

WOULD Tyson be getting an extra £1 million? Tyson's already getting millions, trillions, billions more than me. I'm grateful for what I'm getting but now only to a certain extent - and they label me a greedy bastard. If they want to take the piss out of me and think they can say all these untruths that's very wrong. It's me who's making the history for them at this fight and I've got to look after my family, put corn on the table and, as my own manager, I've got to look after myself. I won't have people taking the piss out of me.

سكواكس